



Daily Report

China

FBIS-CHI-92-119
Friday
19 June 1992

Daily Report

China

FBIS-CHI-92-119

CONTENTS

19 June 1992

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Iraq Accuses U.S. of 'Torching' Grain Fields [XINHUA]	1
Mexico Renews Anti-Drug Cooperation With U.S. [XINHUA]	1
Daily on NATO's Role as European Peacekeeper [RENMIN RIBAO 7 Jun]	1
UNDP To Help in Recovering Coal Bed Methane [XINHUA]	2

United States & Canada

Daily on U.S. Supreme Court 'Ridiculous Ruling' [RENMIN RIBAO OVERSEAS EDITION 19 Jun]	2
Chinese-American Made Honorary Wuhan Professor [XINHUA]	3

Central Eurasia

State of Emergency Imposed in Nagorno-Karabakh [XINHUA]	3
Judicial Assistance Treaty Signed With Russia [XINHUA]	3

Southeast Asia & Pacific

Australia's Keating Meets With Qian Qichen [XINHUA]	3
Ties, Nuclear Reduction, Cambodia Viewed [XINHUA]	4
Thai Foreign Ministry Cited on Cambodian Treaty [XINHUA]	4
Over 10,000 UN Peacekeepers Now in Cambodia [XINHUA]	5

Near East & South Asia

'Cordial, Friendly' Bhutan Border Talks Reported [XINHUA]	5
'Roundup' Views Reaction to New Bangladesh Budget [XINHUA]	5

Sub-Saharan Africa

Beijing To Continue Pressure on South Africa [XINHUA]	6
Beijing Grants Educational Aid to Zambia [XINHUA]	6

West Europe

UK's Heseltine Meets People's Bank's Li Guixian [XINHUA]	6
'Largest' Purchasing Mission Leaves for Europe [XINHUA]	7
Chinese Mayors Received by French Official [Guangzhou Radio]	7
Swedish Minister Interviewed on Cooperation [XINHUA]	8

East Europe

Sun Weiben Meets Romanian County Delegation [HEILONGJIANG RIBAO 25 Apr]	9
Friendship Ties Established [HEILONGJIANG RIBAO 25 Apr]	9
'News Analysis' on Possible U.N. Role in Bosnia [XINHUA]	10

NATIONAL AFFAIRS

Political & Social

Deng Said To Inspect Northeast Provinces [Hong Kong MING PAO 19 Jun]	11
Deng's 'Personnel Surgery' Reportedly Begins [Hong Kong TANGTAI 15 Jun]	11
Jiang, Li Reportedly Make Self-Criticism [Hong Kong TANGTAI 15 Jun]	12
Bo Yibo Said Trying 'To Close Ranks' With Deng [Hong Kong TANGTAI 15 Jun]	13
Correction: CPC Issues Document No. 4 on Reform	14
Deng Said Using Army for Political Intervention [Hong Kong TANGTAI 15 Jun]	14
Survey Reveals Plight of Intellectuals, Engineers [CHINA DAILY 18 Jun]	15
Comparison: Jiang Speech on Reform, Opening	16
Daily Carries QIUSHI No 12 Table of Contents [RENMIN RIBAO 15 Jun]	16

Military

Liu Huaqing Recalls Nie's Defense Contributions [XINHUA]	17
Military Electronics Production Strengthened [ZHONGGUO XINWEN SHE]	17
Navy Surveys Reef in Spratly Island Region [XINHUA]	18
PLA Surveying Academy Outlines Methods [XINHUA]	18
Army Paper on Interest Relations in Reform [JIEFANGJUN BAO 3 Jun]	20

Economic & Agricultural

State Councillor's Article on Role of Accounting [RENMIN RIBAO 10 Jun]	22
Luo Gan Article on Developing Tertiary Industry [RENMIN RIBAO 14 Jun]	26
Economic Circle 'Speaks Out' on Market Theory [Hong Kong CHING CHI TAO PAO 8 Jun]	32
Forum Views More Foreign Investment Opportunities [XINHUA]	34
BOC To Issue Bank Notes in Hong Kong in 1994 [Hong Kong WEN WEI PO 17 Jun]	34
State Firms in Province-Status Cities Cut Losses [ZHONGGUO TONGXUN SHE]	35
Government Sets Up Addition Bonded Areas [XINHUA]	35
Trade Office Urges Cutting Production, Stockpiles [XINHUA]	36

REGIONAL AFFAIRS

East Region

Foreign High-Tech Investment Aids Xiamen Economy [ZHONGGUO XINWEN SHE]	37
Jiangsu Learns From Shandong in Reform, Opening [XINHUA RIBAO 11 Jun]	37
Jiangsu's Nanjing To Lease Land-Use Rights [XINHUA]	39
Jiangxi Province Attracts More Funds From Taiwan [XINHUA]	39
Activities of Shandong's Jiang Chunyun Reported	39
Inspects Zibo City [Jinan Radio]	39
Chairs Meeting on Reform, Economy [Jinan Radio]	40
Shandong Signs Development Deal With Hong Kong [Jinan Radio]	41
Drought Affects Wheat Harvest in Shandong [Jinan Radio]	41
JIEFANG RIBAO on Accelerating Development [6 Jun]	41
Shanghai Adopts Measures on Private Business [JIEFANG RIBAO 14 Jun]	44
'Feature' Discusses Shanghai Housing Reform [XINHUA]	45

Central-South Region

Guangdong Sets Up Development Area for Taiwanese [XINHUA]	47
Guangzhou Free Trade Zone To Improve Investments [CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) 14 Jun]	47
Guangdong Launches Campaign Against Prostitution [Hong Kong TA KUNG PAO 17 Jun] ..	48
Taiwan Foundation Delegation Visits Shenzhen [XINHUA]	49
Guangxi Editorial on Old Revolutionary Areas [GUANGXI RIBAO 4 May]	49
Li Changchun Addresses Henan Meeting on Economy [Zhengzhou Radio]	50
Henan's Pingdingshan City To Accelerate Opening [XINHUA]	51
Hubei's Guo Shuyan Views Jan-May Economic Growth [Wuhan Radio]	52

Taiwan Firms To Build Commercial Center in Hubei	[XINHUA]	53
Xiong Qingquan Inspects Experimental Breeding Base	[Changsha Radio]	53

Southwest Region

Guizhou's Wang Chaowen Inspects Danzhai County	[Guiyang Radio]	53
Sichuan Provincial Party Congress Opens	[Chengdu Radio]	53
Yang Rudai Gives Report	[Chengdu Radio]	54
Commentator's Article on Reform, Stability	[Lhasa TV]	54
Lhasa Draws Up Measures for Rural Enterprises	[Lhasa Radio]	55
Enterprises in Tibet's Nagqu Begin Reforms	[Lhasa Radio]	56
Yunnan Convenes Secrecy Maintenance Conference	[Kunming Radio]	56
Yunnan, Taiwan Cooperation Seminar Closes	[XINHUA]	56

Northeast Region

Northeastern Provinces Promote Commodity Economy	[XINHUA]	57
Li Lanqing in Harbin for Talks; Meets Sun Weiben	[Harbin Radio]	57
Heilongjiang's Sun Weiben on Heihe's Opening Up	[HEILONGJIANG RIBAO 21 Apr]	58
He Zhukang Chairs Meeting on Opening Hunchun	[JILIN RIBAO 15 Apr]	61
Transnational Corporations To Enter Shenyang	[XINHUA]	62
Liaoning Benxi Iron Mine Begins Expansion	[Shenyang Radio]	62
Liaoning Completes River Harnessing Project	[XINHUA]	62

TAIWAN

Legislative Yuan Election To Be Held 19 Dec	[CNA]	63
Taipei, Niger Establish Diplomatic Ties 19 Jun	[CNA]	63
Czech Vice Minister on Relations With Taipei	[CNA]	63
Mainland Scientists Complete Taiwan Visit 16 Jun	[Taipei Radio]	63
Visit Called 'Propaganda'	[CNA]	64
Computer Manufacturers Urge Investing in Mainland	[Taipei Radio]	64
MTV Operators Demonstrate at AIT Office	[CNA]	64

HONG KONG & MACAO

Hong Kong

Thirty-Eight Refugees Returned to Vietnam 19 Jun	[AFP]	66
Beijing Proposes Hong Kong Monetary Authority	[CHING CHI JIH PAO 17 Jun]	66
Jiang Zemin Meets Commercial Delegation	[XINHUA]	67
Construction of Airport Bridge Begins 18 Jun	[XINHUA]	67
Company To Help Reconstruct Beijing Market Area	[XINHUA]	68
Group Signs Contract on Zhangzhou Economic Zone	[XINHUA]	68
Northwest Investment Fair Announced in Hong Kong	[XINHUA]	68

Macao

Trade, Economic Cooperation Deal Signed With EC	[XINHUA]	68
---	----------	----

General

Iraq Accuses U.S. of 'Torching' Grain Fields

OW1806132192 Beijing XINHUA in English
1253 GMT 18 Jun 92

[Text] Baghdad, June 18 (XINHUA)—Iraq has accused the United States of sending warplanes to torch grain crop fields in northern Iraq, hampering the on-going harvest there. In a note of protest published by the press today, Iraq condemned the alleged U.S. actions, which "constituted a flagrant and unjustifiable violation (of Iraq's rights)." The protest, delivered to UN Secretary General Butrus Butrus Ghali Tuesday, said on June 7, a U.S. plane dropped a torch on a farming area in Bakhira and two days later another U.S. plane did the same thing in the Mahallabiya area of the Ninua-Neineva Province near the Turkish border. Fire broke out in fields in the June 10 incident, the note said. It charged that the actions had nothing to do with the observation missions in implementation of UN Security Council resolutions on the Gulf war ceasefire. "Such actions were only meant to inflict harm on the Iraqi people and their property," it said. Also on Tuesday, Iraq sent a letter to the UN chief claiming that U.S. reconnaissance planes violated Iraqi airspace three times, on June 8, 10 and 15. An unspecified number of U-2 spy planes flew over western, northern and central Iraq before heading back to their base in Saudi Arabia, the letter said. The letter also said that U-2 planes have so far violated Iraq's airspace 58 times. These planes were used for purposes "not defined by the Security Council," it alleged.

Mexico Renews Anti-Drug Cooperation With U.S.

OW1706192492 Beijing XINHUA in English
1844 GMT 17 Jun 92

[Text] Mexico City, June 17 (XINHUA)—The Mexican Government has decided to renew, on a temporary basis, its cooperation with the United States in the battle against international drug trafficking.

The Mexican Foreign Ministry announced here today that this position will be upheld so as not to send a wrong signal to drug traffickers.

However, it added, valid legal instruments, including the bilateral extradition treaty, are being reviewed and definite norms are being established for governing cooperation programs.

Earlier on Monday, the Mexican Foreign Ministry suspended the activities of the U.S. Drug Enforcement Agency in Mexico on account of a U.S. Supreme Court ruling on the same day justifying U.S.-organized kidnapping in Mexico of criminal suspects for prosecution in the United States.

The Foreign Ministry said today that negotiations for updating the extradition treaty, signed by the two nations in 1978, were begun here yesterday. The point of departure of these negotiations is an unlimited respect

for Mexico's national sovereignty, its exclusive jurisdiction over its territory, and its laws.

The Foreign Ministry expressed the belief that the U.S. Government's immediate acceptance to hold these talks and the expressions of respect for Mexico's court order and sovereignty clearly demonstrate the U.S. chief executive's will to fortify and maintain on the best level the relations between the two nations.

It said that communiques from the White House and the U.S. State Department were received yesterday through official channels. These documents laid emphasis on the need to promote bilateral cooperation in legal matters and in the fight against drug trafficking, a cooperation that should be respectful of sovereign rights and the prerogatives of each nation.

The U.S. State Department pointed out in its communique that it has instructed its ambassador to Mexico, John Dimitri Negroponte, to begin a dialogue immediately with the Mexican Foreign Ministry on those matters.

The negotiations reportedly made significant progress this morning. The combat against drug trafficking, as well as extradition procedures, was reviewed with a constructive spirit, through an open dialogue and on the basis of the criteria established by the Mexican Foreign Ministry.

Daily on NATO's Role as European Peacekeeper

HK1906040392 Beijing RENMIN RIBAO in Chinese
7 Jun 92 p 6

["Roundup" by staff reporter Ding Gang (0002 0474):
"NATO Expands Scope of Military Intervention"]

[Text] Oslo, 5 Jun (RENMIN RIBAO)—On 4 June, NATO foreign ministers met in Oslo to discuss and ratify a proposal to dispatch NATO forces to areas of conflict in Europe to carry out peacekeeping activities there. NATO's decision to expand the scope of military intervention will change its decades-old policy of limiting the deployment of its armed forces to the territory of the allies and indicates that NATO is vigorously striving to play a new role in the post-cold war era.

At present, the situation in Europe is turbulent and unstable and nationality conflicts have occurred frequently in the former Soviet Union and in East European countries. The United Nations, European Community, and CSCE have failed to act effectively to the solve conflicts in Yugoslavia and Nagorno-Karabakh. This is the background to the NATO decision.

However, the motives of all member countries to strengthen NATO's functions are not completely identical. The United States aims at establishing a new basis for cooperation. As the end of the cold war has undermined NATO's cooperation basis, it will be difficult for the United States to find other reasons to justify its

continued presence in Europe unless NATO, in which it acts as the core, can play a part in solving problems which threaten European security.

Hence, Lawrence Eagleburger, U.S. deputy secretary of state, stressed at this meeting that NATO should play a part in solving the Yugoslav question, including dispatching ground forces to help the United Nations accomplish its sanctions mission. Previously, the United States had also suggested enforcing sea and land blockades against Yugoslavia. The United States originally anticipated that a "more vigorous and concrete" agreement than the present one would be reached at this meeting. The United States is eager to let NATO contribute to a solution of the Yugoslav question simply because it wants to convince its allies that NATO still plays an important role.

Obviously, the active U.S. position did not receive enough support and France's attitude in particular was quite passive. Always worrying that the U.S. presence in Europe is too powerful, France was against the proposal to expand NATO's military intervention capability to nonmember countries. Not long ago, it decided to set up a "Franco-German joint army corps," once again showing an independent inclination to manage European affairs by Europeans themselves. Although France made certain concessions at this meeting, Foreign Minister Dumas continued to stress that to keep the peace in Europe, NATO should behave discreetly and let the CSCE do what it ought to. Meanwhile, the CSCE must also be capable of commanding peacekeeping activities in which NATO plays a part. Germany's attitude at this meeting was very discreet as well. Its foreign minister, Kinkel, indicated explicitly that Germany would not take part in any military operations against Yugoslavia and repeatedly explained that the "joint army corps" would coexist with NATO and that NATO's functions would be strengthened by the corps. Because of these different postures, the principle finally reached was tinted with a certain compromise: various parties agreed to expand the scope of NATO intervention provided actions were initiated by the CSCE, each case would be discussed and decided separately, and every member could reserve the right not to participate in any action.

Mass media here stressed that the decision to expand the scope of NATO military intervention ratified by the foreign ministers meeting was merely a principle and that in implementing it still more concrete problems would be faced. Hence, whether NATO can play a new role keeping the peace in Europe very soon remains to be seen.

UNDP To Help in Recovering Coal Bed Methane

OW1906095392 Beijing XINHUA in English
0938 GMT 19 Jun 92

[Text] Beijing, June 19 (XINHUA)—China, the world's largest coal producer, will get 10 million U.S. dollars from the United Nations Development Program (UNDP) to develop coal bed methane resources.

Sources from the UNDP said that the program has approved the project to provide technical and institutional support to China's national program to reduce coal bed methane emissions and to introduce technologies and techniques for recovering and using methane.

The immediate objectives include developing a comprehensive methane recovery program for the Songzao mine in Sichuan Province and introducing drilling technologies at the Kailuan mine to mitigate methane emissions.

The UNDP will also assess the potential for methane development in China and strengthen the capacity of managers and engineers to evaluate and recover methane.

The project is to be executed by the United Nations Department of Economic and Social Development and implemented by China's Ministry of Energy.

According to the sources, the funds will provide international consultants, study tours, equipment and vehicles.

United States & Canada

Daily on U.S. Supreme Court 'Ridiculous Ruling'

HK1906065692 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 19 Jun 92 p 6

["Jottings" column by Mu Ni (4476 1441): "Ridiculous Ruling"]

[Text] The United States Supreme Court heard on 15 May a case involving the kidnapping of a Mexican physician, Humberto Alvarez Machain, for trial in the United States. The court went so far as to rule that the U.S. Government can ignore the opposition of other governments and kidnap persons it considers criminals from other countries. This ruling did not even bother to be implicit, and was really "alarming."

Even Chief Justice William Rehnquist, who drafted the verdict, said that the abduction this time was "shocking...and in violation of general international law principles." Justice John Paul Stevens said "I guess that the law courts in the civilized world will be deeply troubled by the ridiculous ruling of the (United States) Supreme Court today."

Respect for the sovereignty and independence of other nations is the basic standard of international relations, and an international law principle recognized by the whole world.

I wonder whether the judges in the United States Supreme Court have ever thought that since the United States can arrest people at will in other countries, others can follow suit, and then, what kind of world will this become? What is the point in talking about international order?

It is really astonishing to see the dignified United States Supreme Court make such a ruling.

Chinese-American Made Honorary Wuhan Professor
OW1906100492 Beijing XINHUA in English
0950 GMT 19 Jun 92

[Text] Wuhan, June 19 (XINHUA)—Anna Chennault, a famous Chinese-American social activist, has been awarded with the honorary professor title offered by the Central China Institute of Science and Engineering on June 18.

Chennault received the certificate handed by the president of the institute at the title conferring ceremony held yesterday afternoon.

Chennault is the wife of Claire Chennault, a late American general who led the "Flying Tigers" in China during World War II. She is also the first Chinese-American woman who entered into senior government circles of the United States.

Acting as the chairwoman of the U.S. National Republican Heritage Groups Council, and chairwoman of the Council for International Cooperation, she has visited the mainland many times in the past decade.

This is her first visit to Wuhan since the founding of new China in 1949. She visited the Central China Institute of Science and Engineering and gave a one-hour lecture to teachers and students at the institute on June 18.

The institute held a banquet celebrating her 67th birthday on the evening of June 18.

The Wuhan municipal government is also to invite Chennault to be a senior economic advisor of Wuhan city where the institute is located.

Central Eurasia

State of Emergency Imposed in Nagorno-Karabakh
OW1806223292 Beijing XINHUA in English
2049 GMT 18 Jun 92

[Text] Moscow, June 18 (XINHUA)—The Nagorno-Karabakh authorities declared a state of emergency in the disputed enclave for one month, TASS reported today.

Meanwhile, general mobilisation in an effort to stabilise the situation in the region was announced. The authorities decided to inform the U.N. secretary-general about the measures.

According to another report of TASS today, the authorities issued a statement in connection with tragic incidents in Nagorno-Karabakh. The statement appealed to parliaments and governments of the world and international organization calling them to take urgent measures to stop the aggression, and to provide humanitarian aid to the people there.

The authorities declared in the statement that it will do everything possible to defend the republic.

Judicial Assistance Treaty Signed With Russia
OW1906100692 Beijing XINHUA in English
0954 GMT 19 Jun 92

[Text] Beijing, June 19 (XINHUA)—A treaty between the People's Republic of China and the Russian Federation on providing judicial assistance in civil and criminal cases was signed here today.

Chinese Minister of Justice Cai Cheng and Russian Minister of Justice N.V. Fedorov signed the treaty on behalf of their respective governments.

According to the treaty, the two sides will provide each other with assistance in document delivery, investigation and collecting evidence, and in executing decisions involving civil cases and trade disputes and exchange judicial information.

The two ministers held talks after the signing ceremony.

Southeast Asia & Pacific

Australia's Keating Meets With Qian Qichen
OW1906084592 Beijing XINHUA in English
0835 GMT 19 Jun 92

[Text] Canberra, June 19 (XINHUA)—Australia attaches great importance to its relations with China, Australian Prime Minister Paul Keating said here today.

On meeting the visiting Chinese foreign minister, Qian Qichen, Keating said that China is a factor for the stability in the Asia-Pacific region and the Labor Government has kept making efforts to promote the bilateral relations.

The prime minister said China has registered a rapid economic growth for the past several years and witnessed stronger economic links with the outside world, for which Australia expresses its appreciation.

Australia will further accelerate the process of economic cooperation with Asian countries including China, Keating said.

Qian briefed Keating on the situation of China's further development in reform and opening to the outside world during the meeting.

China and Australia, both in the Asia-Pacific region, shared common interest in many fields in respect to maintaining the regional stability and developing economy, Qian said.

More top-level contacts should be made between the two countries, he said.

Qian conveyed regards from Chinese Premier Li Peng to Keating and invited him to visit China on behalf of Li, while the Australian prime minister expressed his willingness to have opportunities to visit China.

Ties, Nuclear Reduction, Cambodia Viewed*OW1806155692 Beijing XINHUA in English
1530 GMT 18 Jun 92*

[Text] Canberra, June 18 (XINHUA)—The further development in the Sino-Australian relations will not only benefit both sides but also be helpful to the peace and stability in the Asia-Pacific region, Chinese Foreign Minister Qian Qichen said here today.

The visiting foreign minister said at a press conference this afternoon that his visit has been smooth and both sides have expressed satisfaction with the development of the bilateral relations since its establishment 20 years ago.

Both sides hold similar or identical views on many issues, Qian said, and the respective positions on some issues are not mutually exclusive.

Qian arrived here last night for a 4-day visit, after he wound up a visit to New Zealand. He held talks with Australian Governor-General William George Hayden and his Australian counterpart Gareth Evans respectively this morning.

The two sides have shown willingness to make joint efforts to further develop the bilateral relations, Qian said.

There is a high degree of a mutual complementarity in economic relations between China and Australia and there are many fields for cooperation between the two countries as they are all situated in the Asia-Pacific region, which is the most dynamic region in the present world, Qian said.

"As China further implements its policy of reform and opening to the outside world and registers rapid economic growth, Australian businessmen and their products stand a good chance of having an important share in the Chinese market," the minister said.

He also said that the conditions for the exchange of top-level visits between the two countries are moving towards maturity.

Accepting the invitation from Chinese President Yang Shangkun, Governor-General Hayden has expressed gladness to have an opportunity to visit China again in the future, Qian said.

In answering questions concerning the Cambodia issue, Qian said that China supports every measure and action conducive to the full implementation of the Paris Agreement.

"We appeal to all parties concerned in Cambodia to abide by and implement the Paris Agreement in the spirit of national reconciliation," Qian said.

The implementation of the Paris Agreement has entered a crucial stage, Qian said, adding that it is understandable that certain parties concerned have their own considerations and raise some questions during the stage.

However, Qian said, the realization of peace in Cambodia is inevitable.

"The Paris Agreement is a hard-won result," the minister said, "although small-scale frictions may occur consequently, the trend will generally be towards a peaceful settlement."

As for the recent Russian-U.S. agreement on reduction of strategic nuclear weapons, Qian said that China welcomes the move and expects a further reduction.

Despite the cuts, Qian said, the two countries will still maintain 3,000 to 3,500 strategic nuclear war-heads respectively in line with the agreement and it is still a huge number.

Thai Foreign Ministry Cited on Cambodian Treaty*OW1806120492 Beijing XINHUA in English
1148 GMT 18 Jun 92*

[Text] Bangkok, June 18 (XINHUA)—"Thailand did not agree that the Cambodia peace treaty could be rewritten to exclude the Khmer Rouge if it was the truth that Phnom Penh foreign minister said that" said vice spokesman Ravi Hongsatraphat for the Thai Foreign Ministry.

It was reported that Phnom Penh Foreign Minister Hor Nam Hong earlier said the Cambodia peace treaty could be rewritten to exclude the Khmer Rouge unless they stopped fighting and started obeying the UN.

At a press conference today, the spokesman said "for longtime ago somebody would like to isolate Khmer Rouge but there always had problems." "So we should not isolate Khmer Rouge."

Asked what Thailand will do in the International Conference on the Rehabilitation of Cambodia in Tokyo next week, Ravi said Thailand, as well as other countries, will urge the Khmer Rouge to cooperate with UN Transitional Authority in Cambodia. But "we are unable to exert some influence and pressure on Khmer Rouge as somebody said."

Thai Foreign Minister Asa Sarasin said on Tuesday after meeting with Khieu Samphan, a member of the Supreme National Council of Cambodia (SNC) that "foreign countries and the UN Security Council should let all the Cambodian factions consult each other without outside interference."

Thai Foreign Minister Asa will go to Tokyo to attend the International Conference on the Rehabilitation of Cambodia next week.

Over 10,000 UN Peacekeepers Now in Cambodia

OW1906055092 Beijing XINHUA in English
0522 GMT 19 Jun 92

[Text] Phnom Penh, June 19 (XINHUA)—The number of United Nations peace-keeping forces in Cambodia has topped 10,000, representing 64 percent of the planned total, according to an official of the U.N. Transitional Authority in Cambodia (UNTAC) today.

By Thursday night, 10,327 U.N. peace-keepers had been positioned in Cambodia, the official said.

Under the UNTAC peace plan, a total of 15,929 U.N. troops would have arrived in the country by the start of the second phase on June 13.

The Paris peace accord demands the four Cambodian warring factions disband at least 70 percent of their armed forces during the second phase of the peace plan enacted by UNTAC.

The UNTAC official said that three factions except the Khmer Rouge had concentrated 7,418 troops in 82 cantonment sites and surrendered 6,018 pieces of weaponry and 177,499 rounds of ammunition.

Near East & South Asia

'Cordial, Friendly' Bhutan Border Talks Reported

OW1906040292 Beijing XINHUA in English
0311 GMT 19 Jun 92

[Text] Beijing, June 19 (XINHUA)—The eighth round of the boundary talks between China and Bhutan was held here between June 18 and 19.

During the period, a Chinese delegation led by Vice-Minister of Foreign Affairs Xu Dunxin and a Bhutanese delegation headed by Foreign Minister Lyonpo Dawa Tsering had two sessions of talks.

Official sources said the talks proceeded in a "cordial and friendly" atmosphere.

During the talks the two sides expressed their satisfaction with the growing friendly contacts between the two countries over the past few years, and had friendly consultations on delimiting the China-Bhutan boundary.

The sources said the talks are positive and useful and will help promote mutual understanding and deepen traditional friendship between the two countries.

'Roundup' Views Reaction to New Bangladesh Budget

OW1906093592 Beijing XINHUA in English
0922 GMT 19 Jun 92

["Roundup" by Pan Xiaozhu: "Bangladesh New Budget Evokes Mixed Reaction"]

[Text] Dhaka, June 19 (XINHUA)—Leading economists and businessmen here have given their mixed reactions on the budget for the fiscal year 1992-93 placed before the parliament Thursday by Finance Minister Saifur Rahman.

The budget of taka 182,863 million (about 4,688.8 million U.S. dollars) for 1992-93 fiscal year has an overall deficit of taka 77,323 million (about 1,982.6 million dollars).

Revenue income for the next fiscal year has been estimated at taka 105,540 (about 2,706 million dollars) of which taka 85,500 million (about 2,192 million dollars) would be expenditure. The remainder would be spent to finance the annual development program together with foreign assistance and loans.

The largest allocation has been proposed for education, while agriculture remained the most important sector in the economy.

According to the budget, the estimated annual GDP growth rate of the country will be 4.04 percent in the current fiscal year as against 3.6 percent in 1990-91.

The finance minister also announced a reduction in tax rates and some fundamental changes in the income tax system.

Some economists and chamber leaders have described it as "an excellent budget" which they believe would encourage rapid industrialization resulting in employment generation.

They said that the good news about the revised 1991-92 budget is that the revenue expenditure has been kept within limit and the revenue receipt has actually exceeded the target. "These certainly indicate an improvement in budgetary discipline," they said.

These economists and leading businessmen also hailed the rationalization of taxation system and said the new income tax collection system will have positive results.

Other economists, however, hold that the proposed budget was "nothing unexpected and the overall impact of it will not yield anything positive."

They said that the projected growth in revenue earning which is about 11 percent in nominal taka terms "is too modest and is not consistent with the goal of domestic resource mobilization."

They questioned the reduction of revenue expenditure saying that there is no scope for such squeeze in a poor country like Bangladesh.

They said that the public sector has been ignored totally in the name of "wholesale privatization," saying the World Bank prescription for the economic restructure is fit for economic recovery, but the country should consider the pace at which such prescriptions should be implemented in the context of the country.

In their view, "too much trade liberalization would make the country a marketplace for the Western countries."

Commenting on the tax reform measures, they said changes in tax rate, particularly indirect taxes, will benefit the rich more than the poor.

Sub-Saharan Africa

Beijing To Continue Pressure on South Africa

OW1806173992 Beijing XINHUA in English
1704 GMT 18 Jun 92

[Text] Geneva, June 18 (XINHUA)—China will continue its pressures on the South African regime as well as support to the anti-apartheid struggle in South Africa, Chinese representatives announced here today.

A report of the Committee on Action Against Apartheid of the 79th International Labor Conference was submitted to the conference today for discussion.

Chinese Government Delegate Zhang Youyun said at the meeting that the Chinese Government has always supported sanctions in all fields against the South African Government and will make more efforts to settle the issue politically.

The South African authorities must stop detaining and investigating any black trade union workers or any anti-apartheid people and release political prisoners, stressed Chinese workers' delegate Huang Rujie.

Huang also called for an end to discrimination against blacks in education, employment, housing and other areas through any effective measures.

Furthermore, the workers' delegate urged the South African Government to allow people to take part in normal political activities and cease its practice of force.

The South African Government should map out a new constitution on the basis of racial equality so that apartheid could be done away with as early as possible, he said.

The committee's report, backed by both the Chinese delegates, reflected in the two delegates' view the real situation in South Africa and stressed that governments, employers and workers of all countries should put continual pressures on the South African authorities.

Beijing Grants Educational Aid to Zambia

OW1806223392 Beijing XINHUA in English
1844 GMT 18 Jun 92

[Text] Lusaka, June 18 (XINHUA)—China has donated one million yuan Rmb [renminbi] (188,000 U.S. dollars) to the University of Zambia to help it upgrade its School of Engineering.

Under documents signed here today by Zambian Minister of Education Arthur Wina and Chinese Ambassador to Zambia Yang Zengye, the money will be used to purchase teaching and research instruments for the university's School of Engineering.

Four Chinese professors will be teaching at the university, Zambia's highest-learning institution beginning from 1993, under the aid package.

Speaking at the donation ceremony, Wina expressed appreciation of China's assistance.

Despite the change of government in Zambia last November, China was still committed to assisting and cooperating with Zambia, he said.

In reply, Yang said that Sino-Zambian relations had solid foundations, adding that China would continue to expand the bilateral cooperation in various fields.

West Europe

UK's Heseltine Meets People's Bank's Li Guixian

OW1906014792 Beijing XINHUA in English
2330 GMT 18 Jun 92

[Text] London, June 18 (XINHUA)—British Trade and Industry Secretary Michael Heseltine met here today with Li Guixian, governor of the People's Bank of China.

Li, who is also a state councillor of the Chinese State Council (cabinet), briefed Heseltine on China's reforms of its economic and financial systems.

Li expressed the hope that there would be increased exchange of economic, financial and trade missions between the two countries.

Heseltine pledged his Trade and Industry Department's efforts to promote bilateral cooperation.

He also said he was looking forward to his forthcoming visit to China, expected later this year.

Earlier in the day, Li made a speech at a forum organized by China-Britain trade group on the economic and financial situation in China and reforms of its economic and financial systems.

Li gave an account of China's financial reform measures and stressed the need to quicken the pace of opening up its financial market and financial industry during the period between now and the year 2000.

A large delegation from the China-Britain trade group will visit China this autumn.

Li arrived here on Saturday for a week-long visit, which is the first ever to Britain by a governor of the People's Bank of China.

'Largest' Purchasing Mission Leaves for Europe

OW1906070292 Beijing XINHUA in English
0619 GMT 19 Jun 92

[Text] Beijing, June 19 (XINHUA)—A big Chinese purchasing mission, the largest of its kind, is to leave Beijing tomorrow for a visit to the headquarters of the European Community, EC member states as well as Switzerland and Austria.

Gan Ziyu, head of the purchasing group and vice-minister of the State Planning Commission, told XINHUA that this is the largest purchasing group which has been sent abroad in recent years and its purchasing range and amount of money will exceed that of the group which was sent to Europe last year.

Sources here held the view that the economic and trade relations between China and Western European countries have gained a favorable momentum in recent years, and the group's trip to Western Europe is another major move of China to promote its economic and trade contacts with Western European countries.

In June last year, a Chinese purchasing group toured member states of the EC, and the volume of business reached 1.6 billion U.S. dollars.

The deputy heads of the purchasing group this year will be Gu Yongjiang, vice-minister of foreign economic relations and trade, and Zhang Yanning, deputy director of the Economic and Trade Office under the State Council.

Members of the group will include leading officials from the Ministry of Foreign Economic Relations and Trade, the State Planning Commission, the Economic and Trade Office under the State Council, the Foreign Ministry, and leading officials from the economic and trade committees of Beijing, Shanghai, Tianjin, Guangdong, Hainan, Yunnan and Liaoning.

Among the members will also be general managers and deputy general managers from national corporations of technology, instruments, machinery, metals, chemical industry, textiles, light industry and aero-materials.

Head of the group Gan said, "The fact that one after another Chinese purchasing group goes to EC member countries shows clearly that China attaches great importance to developing economic, trade, and technological relations of cooperation with the EC and EC member countries."

During the visit, the purchasing mission will conduct negotiations in sub-groups or as a whole. Since April, dozens of purchasing teams organized by different foreign trade or industrial corporations and localities have left on visits to relevant countries for business negotiations and such activities of the purchasing mission as a whole will last until late July.

The general group will first visit the EC Commission and then break into three smaller groups respectively led by

Gan Ziyu, Gu Yongjiang and Zhang Yanning for trips to different EC member countries and other West European nations.

On the tours, the mission will call on leaders of the EC Commission and economic departments of relevant nations, meet with personalities of the industrial and commercial circles and attend seminars or symposiums to brief the hosts on China's economic situation, the reform and opening policy, as well as on the intents and potential scope of cooperation of the provinces and major cities including Guangdong, Beijing, Tianjin, Liaoning, Yunnan, and Shanghai's Pudong and Hainan's Yangpu development areas.

Also, the mission will attend contract signing ceremonies of major projects throughout the trip.

The mission's shopping list covers a wide variety of items, including large machines and other key equipment, such as those for power plants, water-supply systems, telephone and other telecommunications facilities, metallurgy and coal-mining and for the production of chemical fibers and chemical fertilizers, according to the sources.

The list for commodities includes steels, chemical fertilizers, chemicals, aircraft engines and textile materials, the sources said.

Purchases contracted in cash will account for more than two-thirds of the total volume, with the rest to be settled with export credits, government loans or otherwise, according to the sources.

"The mission will use the trip to have wide-ranging contacts with figures in the industrial and trade circles of the countries, so as to enhance mutual understanding and explore possibilities of new spheres of cooperation," Gan Ziyu said.

Chinese Mayors Received by French Official

HK0506124292 Guangzhou Guangdong People's Radio
Network in Mandarin 1000 GMT 3 Jun 92

[Text] (Xiriman), a ministerial-level representative of the French Foreign Affairs Ministry, met with all the members of a visiting China Guangzhou City Economic and Technological Investigation Delegation headed by Mayor Li Ziliu yesterday.

The two sides exchanged views on further strengthening their relations of economic and technological cooperation.

During the meeting, Mayor Li Ziliu said: Guangzhou is determined to catch up with the four small dragons in Asia within a period of 15 years. To achieve that, Guangzhou, like other parts of the country, is currently quickening the pace of reform and opening up and trying to create more favorable investment conditions for foreign businessmen. In the next five years, Guangzhou is to concentrate on building energy, communications,

transportation, and industrial projects. Guangzhou regards France as an important cooperation partner and hopes to strengthen its cooperation with France.

Vice Minister (Xiriman) said: France is aware of Guangzhou's position and importance in China's economic development. The French Government has attached great importance to and actively supported projects built or being built in cooperation with Guangzhou and is willing to further strengthen such cooperation.

On the same day, Mayor Li also held talks with persons in charge of France's (BIAOZHI) Automobile Company and (ERZHIGONG) Group Company and discussed issues regarding further bilateral cooperation.

Swedish Minister Interviewed on Cooperation

OW1806134392 Beijing XINHUA in English
1314 GMT 18 Jun 92

[Interview with Per Westerberg, Swedish minister of industry and commerce; date and place not given]

[Text] Beijing, June 18 (XINHUA)—There exists a great potential for cooperation between China and Sweden because the former has a large market and the latter boasts large well-known companies, said a Swedish minister here.

In a recent interview with XINHUA before his departure from China, the Swedish Minister of Industry and Commerce, Per Westerberg, outlined his views on the present and future bilateral economic relations and trade and the issues related to Sweden's granting loans to China.

Westerberg, who left Beijing for home earlier today at the end of his five day visit to China, said he was deeply impressed by China's rapid economic growth during his first visit to the country.

He said the present "climate" is good for the further development of bilateral economic relations and trade.

That's why he brought with him a delegation composed of not only officials but also prominent representatives from Sweden's major industrial companies and banks to attend the tenth session of the mixed China-Sweden Committee for Economy, Trade, Industry, Science and Technology.

"Their presence underlines the importance that Swedish companies attach to the Chinese market," he said.

Tom Wachtmeister, vice-chairman of Atlas Copco, who accompanied the minister on the visit, said Sweden's entrepreneurs have cherished a long interest in China.

He said at present China's business environment is good. There exists a potential for the long-term development of China's market. So they have a long-term plan to cooperate with China.

Atlas Copco is a leading company in the world in most of the group's traditional lines of business: Compressors, and construction and mining equipment.

Wachtmeister said over the past eight years, his company has signed with a number of factories in China six licenses for the production of compressors and drilling equipment. About 200 Chinese engineers were invited by the company to have special technical training in Europe.

Bo Landin, senior vice-president of the Ericsson Telephone Co., which is a world leader in telecommunications and has operations in 100 countries, said the company signed with the relevant Chinese departments a contract for extension of the mobile telephone network in south China's Guangdong Province and a general purchasing agreement to extend the telecommunications network in the province.

The agreement covers delivery of Axe (system for public exchanges) equipment valued at 300 million U.S. dollars, he added.

Landin said now the company is discussing with the Nanjing Panda Group issues concerning the establishment of a joint venture in Nanjing which is to produce mobile telephone networks.

The agreement is expected to be formally signed in August, he added.

China and Sweden have set up seven joint ventures including a pharmaceutical co. ltd., a steel company and a hotel.

Minister Westerberg described the pharmaceutical co. in Wuxi city of east China's Jiangsu Province as a very successful joint venture.

On Sweden-China trade, Westerberg said free trade is a stated policy of the Swedish Government. Sweden will not set import quotas for such Chinese commodities as textiles and leather shoes which interest Swedish importers.

He said Sweden will continue this policy after joining the European Community.

According to official statistics, the value of bilateral trade totalled 513 million U.S. dollars last year, an all-time high.

China's main exports to Sweden are textiles, garments, animal husbandry products, drawnworks, light industrial products, pottery and porcelain as well as industrial products, while importing sets of equipment, machinery, instruments, metals, mineral and chemical products.

When asked about the development trend for future bilateral trade, Westerberg forecast an increase in bilateral trade.

On bilateral scientific and technological cooperation, Westerberg said over the past few years the scientific and technological exchanges between the two countries have developed smoothly.

The State Science and Technology Commission has signed with its Swedish counterpart a protocol of scientific and technological cooperation between the two governments.

The minister expressed the belief that such cooperative relations will continue to grow.

He said in November this year, China will use one of its rockets to launch a satellite made by Sweden. The Swedish minister of education will come to China for the launch.

During the interview, Westerberg said that up to now, Sweden has granted a total of 1.3 billion Swedish krona (equivalent to more than 200 million U.S. dollars) to China.

These loans have been used in China's paper making, telecommunications, food and metallurgy.

Westerberg said not long ago the Swedish Government lifted the limitations on loans to China. This fully demonstrated that Sweden is willing to promote cooperation with China.

He said new loans will be confined to the areas of environmental protection, promoting social development and telecommunications.

At the end of the interview, Westerberg said it is his view that there exist great potentials for bilateral cooperation in the two areas of railway transportation and forestry.

He has formally invited Chinese Minister of Railway, Li Senmao, to visit Sweden.

He also hopes that the Chinese Minister of Forestry, Gao Dezhan, will also pay a visit to Sweden.

East Europe

Sun Weiben Meets Romanian County Delegation

SK1806033492 Harbin HEILONGJIANG RIBAO
in Chinese 25 Apr 92 p 1

[By reporter Yang Tianzhuo (2799 1131 5511): "Sun Weiben Meets With Romanian Delegation"]

[Text] On the evening of 24 April at Huayuncun Guesthouse, Sun Weiben, secretary of the provincial party committee and chairman of the Standing Committee of the provincial People's Congress, met with Nicolae Balanoiu, head of Prahova County of Romania, and his party.

Sun Weiben said: Early in the 1960's, Heilongjiang established friendship ties and economic contacts with

Romania. This time, Heilongjiang Province and Prahova County have established friendship ties again. This has helped fix friendship and economic and trade cooperation ties between both sides and also has been very conducive to developing friendship and economic cooperation between the people of the two areas.

Balanoiu said: The Romanian people have treasured their friendship with the Chinese people. Romania will regard China as its friendly economic and trade cooperation partner in the course of economic construction.

At the meeting were Shao Qihui, governor of the provincial government; Ma Guoliang, deputy secretary of the provincial party committee; Chen Yunlin and Du Xianzhong, vice governors of the provincial government; and Wang Zongzhang and Wang Yaochen, assistants to the provincial government.

Friendship Ties Established

SK1806033692 Harbin HEILONGJIANG RIBAO
in Chinese 25 Apr 92 p 1

[By reporter Yang Tianzhuo (2799 1131 5511): "Heilongjiang Establishes Friendship Ties With Prahova County"]

[Text] On the evening of 24 April in Harbin, Shao Qihui, governor of the Heilongjiang Provincial Government; and Nicolae Balanoiu, head of Prahova County of Romania, signed an agreement on establishing friendship ties.

The signing ceremony was chaired by Cai Qi, deputy secretary general of the provincial government. Chen Yunlin and Du Xianzhong, vice governors of the provincial government; Wang Zongzhang, assistant to provincial governor; and Wang Yaochen, chairman of the provincial foreign affairs office, attended the signing ceremony.

The agreement states that Heilongjiang Province and Prahova County should view the formal establishment of friendship ties as a new starting point from which they can use the traditional friendship between China and Romania as well as the existing friendship and cooperation ties to further deepen friendly contacts between the province and county and to ceaselessly deepen the two people's mutual understanding and friendship.

The agreement states both sides should adopt various forms to extensively conduct cooperation and contacts in industrial, agricultural, trade, scientific and technological, cultural and artistic, educational, sports, and health spheres and to promote economic construction and development of various undertakings.

On the same evening, Governor Shao Qihui and Nicolae Balanoiu, head of Prahova County, also signed the summary of the talks.

After the signing ceremony, Governor Shao Qihui hosted a reception in honor of the distinguished Romanian guests.

After winding up its friendly visit to our province, the Romanian guests will leave Harbin for home on 25 April.

'News Analysis' on Possible U.N. Role in Bosnia

OW1706183792 Beijing XINHUA in English
1618 GMT 17 Jun 92

["News analysis" by Zheng Jinfa and Xu Wenqun: "Bosnia- Hercegovina Calls for Military Intervention To Halt Conflict: Foreign Minister"]

[Text] Istanbul, June 17 (XINHUA)—Bosnia-Hercegovinan Foreign Minister Haris Silajdzic today called for military intervention in the ongoing conflict in Bosnia- Hercegovina.

In an interview with XINHUA during an extraordinary meeting of the foreign ministers of the Organization of Islamic Conference (OIC), Silajdzic said, "the conflict in Bosnia-Hercegovina is going to be expanded. The international community should take military intervention to protect hundreds of thousands of civilians there.

He blamed the United States and other Western countries for "having not done enough so far against the Serbian aggression," saying, "they seem uncertain what to do next."

As Bosnia-Hercegovina declared independence in February, Yugoslavia has sent troops along with Serb irregulars to attack the Muslims and Croats there, killing thousands and displacing about 2 million people.

On May 30, the U.N. Security Council imposed economic and oil sanctions on Yugoslavia in an effort to pressure it into ending its attacks on Croatia and Bosnia-Hercegovina.

"It's a shame for Europe that people are starving.... that's unacceptable," the foreign minister noted.

He also said, "Thousands of people will die unless an immediate action is taken and unless food and medical supplies are airdropped to the stricken areas."

The OIC meeting, called by Turkey, is following closely the events happening in Bosnia-Hercegovina, where 6,000 people have died in clashes between Serbs supported by the federal army and the republic's Muslim and Croatian majority.

In his speech at the OIC meeting attended by 37 member states, Silajdzic urged all member countries to sever relations with Yugoslavia, and appealed the OIC to establish an emergency fund for Bosnia-Hercegovina to help it in reconstruction.

Political & Social

Deng Said To Inspect Northeast Provinces

HK1906033292 Hong Kong MING PAO
in Chinese 19 Jun 92 p 66

[Report: "Accompanied by Zhu Rongji, Deng Xiaoping Reportedly Made Inspection Tour in Northeast China To Personally Promote Reform, Opening Up"]

[Text] In the last few days, it has been widely rumored in Beijing that Deng Xiaoping, the paramount CPC leader, recently once again left the capital with his family for an inspection tour. Disregarding his advanced age of 87, Deng personally pushed forward a new round of reform and opening and made preparations for fully restoring his influence at the 14th party congress. However, there were two different versions of Deng's itinerary. Some people said Deng traveled to the three northeast provinces for inspection; and other people said that Deng went to Shandong before traveling to the northeast.

According to sources in Beijing, Deng Xiaoping recently led his family to once again leave the capital for an inspection tour in spite of the hot summer weather. Those accompanying him included his wife Zhuo Lin and his daughter Deng Rong. Another daughter Deng Nan, a vice minister of the State Science and Technology Commission who accompanied her father during his inspection tour to the south earlier this year, did not join the recent tour. It was said that a State Council official responsible for economic work and trade accompanied Deng Xiaoping in his recent inspection. Some people said that Zhu Rongji was in Deng's entourage. According to sources, it is certain that party general secretary Jiang Zemin and State Council Premier Li Peng did not accompany Deng in his inspection tour.

According to one version of the story about Deng's recent inspection tour, he traveled to both Shandong and northeast China. Reportedly, Deng first visited the Shandong peninsula and successively inspected Yantai, Weihai, and Qingdao, areas which achieved the most outstanding results in reform and opening in Shandong. Then, he traveled by ship from Yantai to Dalian, and began to inspect some large and medium state-owned enterprises in Liaoning's Dalian, Anshan, and Shenyang.

According to another version of Deng Xiaoping's "northern inspection" itinerary, Deng Xiaoping and his entourage first went to Shenyang and then visited Changchun and Harbin. Some people even said that Deng Xiaoping had visited Heilongjiang's border towns.

Some analysts in Beijing said that if the report about Deng Xiaoping's recent trip proves to be true, this at least indicates that he is still discontented with the current state of reform and opening and the performance of the current CPC leadership. In addition, this also shows that the "framework" [pan zi 4149 1311] of the 14th party congress has not been finally decided. In

particular, no final decision has yet been made on the organizational affairs. So, Mr. Deng had to once again travel out of the capital.

Sources in Beijing said that Deng Xiaoping's "northern inspection" might have two purposes: One was to promote the reform in large and medium enterprises and personally persuade people to emancipate their minds and actually solve this tough problem. The other was to put a finishing touch on the preparations for the 14th party congress by mobilizing the local authorities, especially the military force in northeast China to support his latest reform drive.

Sources also said that if Deng Xiaoping indeed took Zhu Rongji with him during his travels, then this showed that he had decided to replace Li Peng with Zhu Rongji. That is, it is certain that Li Peng will not remain in the premiership next year.

Reportedly, after Deng finishes his northern inspection, he will go to Beidaihe in early July to spend the summer holiday as in previous years. There, he will join other elderly political leaders in concluding the final accord or making the final showdown on the arrangements of the 14th party congress.

Deng's 'Personnel Surgery' Reportedly Begins

HK1906045292 Hong Kong TANGTAI in Chinese
No 15, 15 Jun 92 p 11

[Article by Li Pa-ling (2621 3496 7117): "He Dongchang Dismissed as Top Level Personnel Battle for 14th Party Congress Begins"]

[Text] On 16 May, the CPC Central Committee Political Bureau convened a meeting which decided to dismiss He Dongchang from the posts of party secretary and vice minister of the State Education Commission, and to let Li Tieying concurrently hold office of party secretary of the commission. It issued the official notice. However, three days before the meeting, He Dongchang personally called Luo Guojie, vice president of the People's University of China and head of the university press, asking him to ban "Historical Trend—Aid to Learning From Deng Xiaoping's Important Southern Tour Speeches," which the press published on 28 April. This is viewed as the last bad thing done by He Dongchang.

On 20 April, the degree assessing committee of the People's University of China officially announced the decision reached on 30 January by the committee's general office on "suspending Ding Zilin's qualification for instructing students working for a master's degree." This was in fact an organizational measure personally led by He Dongchang for "sorting out disciplines" in the higher learning institutes across the nation.

In 1991, He Dongchang tried out pilot projects at the People's University of China. His target was to rectify the "bourgeois liberalization thoughts and views" existing in the doctoral and master's theses since 1986,

and to pursue the responsibility of the instructors. He Dongchang personally dwelled at the People's University of China for three days, and promoted his experience in the higher learning institutes in the whole country. This "sorting out of disciplines" has been called by scholars as the second "little cultural revolution," and viewed as a cruel trample on thoughts and humans. The reason why Ding Zilin, an associate professor at the People's University of China, has her "qualification for instructing master's degree candidates" suspended, was unrelated to the regulations on "sorting out disciplines." Ding Zilin is a mother of a son who died during the 4 June incident. The third issue of TANGTAI in 1991 carried the elegy she wrote on 6 June 1989 for her beloved 17-year old son shortly before cremation. It was entitled "Let Us Hug You Once More." In 1991, we carried another article written by her to commemorate the second anniversary of her son's death and to recall past memories; it touched many readers who did not know her, and they sent her many condolence letters expressing care from almost every corner of the world.

Ding Zilin's condolence to her son irritated He Dongchang and Li Ximing, who had direct responsibility for the 4 June incident. They put the political label of "making speeches which seriously deviate from the spirit of the central authorities" to Ding Zilin (in fact, this was totally unrelated to Ding's activities in teaching students as an educator), and ordered the People's University of China to suspend her instructor's qualification, and they even stripped her of her 32-year old party membership on 26 May.

Ding Zilin is the niece of Ding Wenjiang, a well-known geologist, and of Ding Wenyuan, a well-known educator. He Dongchang's action has created a very bad influence among the scholars on the mainland, and is viewed as an intentional move at the third anniversary of the 4 June incident.

He Dongchang's dismissal was the beginning of a personnel surgery performed Deng Xiaoping before the 14th party congress, and more ministerial-level cadres will be hit by the surgery in the future; the purpose is to ensure that the new reformist faction in the central authorities has an edge, and this is Deng's strategic perspective spanning the 21st century.

On 27 May, XINHUA carried Li Ruihuan's speech to the seventh annual meeting of Chinese Workers Political and Ideological Work Research Society; his speech was entitled "It Is a Great Matter for the Whole Party To Properly Learn, Publicize, and Implement Comrade Deng Xiaoping's Important Speeches Made Early This Year." His speech indicated a colorful, strong, and explicit collaboration with those delivered by Tian Jiyun and Zhu Rongji on the economic front, but he was still a lonely soul fighting on the ideological front.

In fact, the effort to encircle and attack the book "Historical Trends" indicates an integral operating system which includes many links, such as the CPC Central

Committee Propaganda Department, the State Education Commission, Beijing Municipal CPC Committee, China Press and Publications Administration, several colleges, RENMIN RIBAO, and QIUSHI magazine. It is obvious that this system is not in Deng Xiaoping's hands.

Jiang, Li Reportedly Make Self-Criticism

HK1906043792 Hong Kong TANGTAI in Chinese
No 15, 15 Jun 92 p 10

[Report: "Jiang Zemin Declares Stand Through 'Document No. 4'"]

[Text] Since Deng Xiaoping made his south China tour speeches, only two persons in the central authorities have made a self-criticism. One is the nucleus—Jiang Zemin, who criticized himself for practicing formalism. The other is Li Peng, who criticized himself for being ideologically conservative.

After General Secretary Jiang Zemin assumed power, he said on public occasions: 1. "Through economic rectification and improvement, we should make the individual households lose all their family fortunes." 2. Party spirit should be placed above loyalty to the people [ren min xing 0086 3046 1840] (speech made when discussing news problems). 3. Bourgeois liberalization is a force within the country to coordinate with the peaceful evolution scheme of the imperialists (speech made at the assembly to commemorate the 110th birthday of Lu Xun). These remarks can easily be used by the media controlled by the leftist forces to "make" him an "anti-peaceful evolution general secretary." At the central work conference held last September, however, Jiang Zemin said "I am not merely an anti-peaceful evolution general secretary." Even after that, the leftists still continued to make use of the media to revise his image.

In May this year, General Secretary Jiang Zemin was especially active. He wrote a letter to the members of the Political Bureau Standing Committee, saying that over the past few months since Comrade Deng Xiaoping made the important speeches during his south China tour, the situation has been developing very well and there has been nationwide rejoicing at that. We must unify our thinking in accordance with Document No. 2 and must further emancipate our minds and accelerate the pace of reform.

This letter was regarded as Jiang Zemin's open declaration of his stand toward Deng Xiaoping's south China tour speeches and Document No. 2. Although it was made some months later, his stand was clear and not ambiguous. It was regarded as the best declaration of his stand since he became the party chief. The CPC Central Committee decided to transmit the letter to the provincial and army corps levels. The letter also indicated the first successful ignition of Jiang Zemin.

When transmitting Document No. 2 to the lower levels, the CPC Central Committee required the latter to

"promptly report to the central authorities about the study and implementation of the document." After listening to the reports from various localities, Jiang Zemin directed the formulation of Document No. 4. The document gives expression to Deng Xiaoping's new and important policy decision on "the key lies in changing the superstructure and changing the central policy." It also suits the new situation of the vigorously developing special economic zones, coastal areas, and border areas in the hinterland. The document, which put forth 19 problems, is divided into four parts: switching mechanisms, expanding the scale of opening up, effectively grasping several issues (the 901 Project, the problems concerning the Three Gorges Project, and others), and improving government functions.

The document implements Deng Xiaoping's south China tour speeches in a comprehensive way. As a policy decision of the central authorities, it decides to open five major inland port cities along the Chang Jiang, including Wuhu, Wuhan, and Chongqing, and nine border trade cities along the borders starting from the Hei He of Heilongjiang to Xinjiang via Inner Mongolia. It also decides that the 30 provincial and regional capital cities and municipalities will enjoy the preferential treatments and policies for the special economic zones. Thus, a pattern of all-around opening up has appeared in an embryonic form.

Document No. 4 redefines the range of China's tertiary industry. According to international practice, education, science, culture, health, railways, communications, commerce, the service trades, and all businesses other than agriculture, industry, and construction are included in the category of the "tertiary industry." This is different from the practice of 13 years ago when reform just started. At that time, only the service trade was regarded as the "tertiary industry." The document points out in definite terms that the party and government organs, mass organizations, and individuals can engage in the "tertiary industry" provided they do not use the state's money, and the retired cadres can find a second job for themselves and engage in commercial businesses. It also puts forth a concrete target for Guangdong: To catch up with the four small dragons within 20 years. Moreover, foreign capitalists will be allowed to establish banks and insurance companies and engage in commercial businesses in Pudong. The forbidden areas in reform over the past more than 10 years were thus removed.

Document No. 4 has relaxed not only the national policy but also the policies for the special economic zones. It has been conveyed to the lower levels from the provincial and army corps levels since 25 May and is regarded as the second ignition of Jiang Zemin.

The third ignition of Jiang Zemin is that after Deng Xiaoping's inspection of the Capital Iron and Steel Complex, he was called by Deng and told that "my southern tour speeches have evoked wide repercussions and I want to know how they are being implemented." On hearing this, he made a prompt decision that the

CPC Central Committee would send central work groups to various provinces, municipalities, and regions to find out about the situation and implement the central spirit.

Bo Yibo Said Trying 'To Close Ranks' With Deng
HK1906093392 Hong Kong TANGTAL in Chinese
No 15, 15 Jun 92 p 21

[Article by Tien Fu: "Bo Yibo Tries To Close Ranks With Deng Xiaoping"]

[Text] Bo Yibo, one of the CPC's eight leading elders, recently published in an internal publication an article entitled "Correctly Handle Relations Between Planning and Market," showing his intention to draw close to Deng Xiaoping.

Showing Support for Deng Xiaoping's Viewpoint by Discussing Economic Matters

By discussing relations between planning and market, Bo Yibo showed his support in his article for Deng Xiaoping's viewpoint. Firstly, he agreed with Deng Xiaoping that "the market economy does not mean capitalism, for socialism also has a market; and the planning economy is not tantamount to socialism, for capitalism also has planning." Secondly, he fully reaffirmed the market's important role in the planned commodity economy. He also pointed out: "These market roles are hardly replaceable by those of planning. Even if the former are forcibly replaced by the latter, the result will not be good." Third, he expressed the belief that with the economic structural reform's deepening and the market's constant growth, it is necessary to appropriately narrow the scope of mandatory planning and give more play to the roles of market regulation. Fourth, he indicated that "the stock system is an economic organizational means which suits the needs of the large-scale socialized production in modern times. Under the system, different investors pool their funds to establish and run enterprises. Therefore, this system can be considered an enterprise organizational means which can better solve the problem of separating ownership from decisionmaking power in operation and management." Fifth, he even favored Zhao Ziyang's proposal raised in the early years that price reform is the key to the entire economic structural reform's success or failure. He asked: "Can we consider the possibility of putting an initial successful end to price reform within 10 years or a shorter space of time? It should be said that there exists the possibility." He also explicitly aired his view: "It is a significant sign of a successful price reform as to whether or not the price-formation mechanism can be rationalized and whether or not the prices of most products and services can be formed through the market mechanism."

Theoretically speaking, Bo Yibo said nothing new in his article but repeated at great length Deng Xiaoping's viewpoints as well as what had been mentioned in the 13th CPC National Congress report. However, as an old

man who had consistently remained politically conservative, he, by talking about the planning-market relations, clearly stood on Deng Xiaoping's side; approved of Deng Xiaoping's viewpoints; and thus indirectly criticized Chen Yun's views. This move can be regarded as Bo Yibo's political pose of trying to close ranks with Deng Xiaoping.

Bo Yibo Leaves Some Margin When Making Known His Position

Of course, as an old hand who has swum the tide on the Chinese political arena for several decades and who was directly involved in sacking two CPC general secretaries, Hu Yaobang and Zhao Ziyang, Bo Yibo certainly knew to leave some margin when making known his position. His statement of position on the market issue is still far different from those made by reformists, such as Tian Jiyun who clearly pointed out in a recent speech that "the planned economy implies bureaucracy while the market economy is the objective law." Bo Yibo indicated in his article: "Under the present circumstances, wherein the market is underdeveloped and defective, abandoning the guidance of planning will inevitably lead to a situation presently plaguing the Soviet Union [as published] and East European countries. Such a situation will delay and even ruin China's socialist modernization drive." Seeing that Deng Xiaoping spoke highly of the progress achieved by several special economic zones and Guangdong Province, Bo Yibo praised Jiangsu Province, which was appreciated by Chen Yun, and Guangdong Province in the same breath, thus letting the two men have equal shares of grace and currying favor with both. Such examples are by no means rare in his article, which are not going to be covered here.

Now that the basic tone of Bo Yibo's article is to show support for Deng Xiaoping, why did he not publish his article to the public but in an internal publication circulating only among leaders at the provincial army level and above? One major reason seems to be that Bo Yibo has made a poor-quality statement of position and failed to keep up with Deng Xiaoping's requirements for an more open mind and bolder actions. All he wanted to show in his article was nothing but his political pose of trying to draw close to Deng Xiaoping. Therefore, there was no need to publish the article for the public to study.

Correction: CPC Issues Document No. 4 on Reform *HK1906095392*

The following correction pertains to the item headlined "CPC Issues Document No. 4 on Expanding Reform," published on pages 19 and 20 of the 18 June China DAILY REPORT:

Page 19, column one, paragraph seven, only sentence make read ...—With the development of Pudong in Shanghai serving... (adding phrase "the development of Pudong in");

same page, same column, paragraph eight, sentence two, make read ...Pingxiang and Dongxing Township in Guangxi; Hekou... (adding word "Township");

same page, same column, same paragraph, same sentence, make read ...County in Yunnan; Ili, Tacheng and Bole... (correcting spelling of "Ili");

same page, column two, paragraph five, sentence three, make read ...communication, tourism, and other tertiary industries through experiments. To... (changing "the tertiary industry" to "other tertiary industries");

page 20, first paragraph, sentence three, make read ...power of personnel and labor, the power... (adding conjunction "and" between "personnel" and "labor").

Deng Said Using Army for Political Intervention

HK1806144792 Hong Kong TANGTAL in Chinese
No 15, 15 Jun 92 p 12

[Article by Ning Ming (1337 7686) from Beijing: "Deng Xiaoping Uses Army To Intervene on Politics"]

[Text] In mid-May, a summary report from the military was delivered to all members of the Political Bureau. The report shocked the Political Bureau. Extremely nervous, Jiang Zemin and Li Peng especially summoned a Political Bureau meeting to discuss the report.

Authorized by Yang Shangkun in early March, Yang Baibing personally organized the principal leaders of the military regions to conduct inspection tours of Shenzhen, Zhuhai, and Shantou. He also proposed "following the steps of Comrade Deng Xiaoping," comprehensively implementing the spirit of Deng Xiaoping's talks made during his southern trip, and going to the south to learn from and sum up the advanced experience of the special economic zones [SEZ].

As a matter of fact, the inspection tour of the south was but an excuse. The real intention was to show the tough attitude of the military to the leftist ringleaders and issue an ultimatum to the Political Bureau, and gain the initiative for Deng Xiaoping's personnel arrangements at the 14th party congress.

In the name of visiting the SEZ's, the principal leaders of the military regions respectively met with Shenzhen party Secretary Li Hao and Zhuhai Mayor Liang Guangda, listened to a report delivered by Zhu Dunfa from the Guangzhou Military Region, conveyed the cordial regards of Qin Jiwei and Chi Haotian to leaders of the SEZ's, expressed the clear-cut stand of the Army, boosted the courage of the SEZ leaders, and encouraged them to continue to make breakthroughs in the forbidden, blind, and challenging zones. The military personages also visited the development zones, bonded zones, and a number of enterprises with three kinds of foreign funding; met with large numbers of businessmen

from Hong Kong, Macao, and Taiwan; and frankly expressed the position of the military on many occasions.

The Military Can Appoint Controversial Figures

Following his hasty trip to the south, Yang Baibing immediately organized a group responsible for drafting a summary report entitled "The Army Must Also Learn From the SEZ's." Without delay, the report was delivered to the Central Military Commission and all members of the Political Bureau.

The contents of the report include the following three points: First, affirmation of the Shenzhen model. The generals held that Shenzhen is the leader of China's reform and opening up and a typical example of the SEZ's, which represent the orientation of China's development. Second, the leftist tendencies constitute the main obstacle to China's modernization program. The experience of the SEZ's indicates that the leftist ideas and concepts are the obstacle to reform. Only by breaking through the leftist concepts will it be possible to emancipate the mind, go all out to boldly carry out experiments, blaze new trails, and free the productive forces. Third, laying stress on the question of making the ranks of officers younger and professionally competent. It is necessary to appoint controversial figures who have the ability to boost construction. The last decade of this century is full of opportunities and challenges. Reform will be promising only by appointing those who are capable of seizing the opportunities and meeting the challenges. The report suggested implementing the criterion for selecting such people in electing representatives to the 14th Party Congress. In addition, the report once again stressed the Army's role and pointed out that the Army will be the absolute strong backing of the reform line.

Deng Xiaoping Takes Further Steps To Exert Pressure on the Political Bureau

The military's tough attitude constituted great pressure on Jiang Zemin and Li Peng. Although the Political Bureau declared its position, endorsing the views of the military, neither Deng Xiaoping nor the military were satisfied with the formalistic statement. According to well-informed sources, Deng Xiaoping on numerous occasions expressed his discontent with the slow reaction of the Political Bureau to his talks made during the southern trip. Hence, he asked relevant departments to exert influence on the Political Bureau. If no moves are made by the Political Bureau in the near future and if no economic and personnel policies are introduced, it is likely that Deng Xiaoping will take further action, invite the principal leaders of the military regions to Beijing in June, determine the plan for personnel changes, and directly press the Political Bureau to accept the arrangement.

Survey Reveals Plight of Intellectuals, Engineers

HK1806060592 Beijing CHINA DAILY
in English 18 Jun 92 p 4

[By Gao Anming: "Better Lives for Intellectuals"]

[Text] China's State-owned enterprises should spare the empty talk and instead take action to improve the living and working conditions of their engineers and technicians.

More than half of engineers believe that neither the State nor the enterprises are paying enough attention to technological progress and talented people, and three-quarters say they deserve better treatment and higher social status, according to a recent nationwide survey.

The survey of 2,347 engineers in 80 large and medium-size State firms found that most of them work long hours with mediocre or lower-than-average pay and that they get almost no physical exercise. Yet more than two-thirds are not working on research and development programmes now because of inadequate funding and facilities and poor management.

The poll, the first of its kind in the country, was conducted last January by the China Research Centre of Management Science, affiliated with the China Association for Science and Technology. It is designed to ascertain why and how engineers sign up to do research in government-run firms and what conditions they live and work under.

Among those who returned survey sheets, 29 percent are females, 66 percent are above the age of 35, and 79 percent have had a college education. Nearly all were trained domestically.

"The problems revealed by the survey need to be studied further," says the final report. "This is because the rejuvenation of the Chinese economy cannot be achieved without reviving its 13,457 large and medium-sized State-run enterprises, during which the 1.94 million engineers and technicians will play an indispensable role."

The poll says most—more than 60 percent—end up as engineers not out of personal interest but as a result of government assignment or their belief that engineering is vital to the country.

Only 29 percent say they love the profession or believe they are capable of doing the job.

That probably explains why 41 percent say they would not pick the occupation again given another chance to select their career, and why 51 percent do not want their children to follow in their career footsteps.

The report says 43 percent are satisfied with their present jobs, while 56 percent say the jobs are mediocre or not satisfactory.

Although 92 percent believe they should be respected and hold important status in their enterprises, only 22 percent say they actually are in significant positions. The rest either say they are neglected or that their standing is unimpressive.

The poll shows 53 percent believe that the government and their employers have failed to devote enough attention to them, though 43 percent say they are treated seriously.

The report says the engineers have a heavy work load, spending an average of more than 10 hours a day working, studying, and going to and from work. They spend more than three hours doing house chores and coaching their children. Their time for entertainment and personal hobbies amounts to just about an hour and 20 minutes and only 15 minutes of that are for physical exercise. They spend an average of about nine hours a day to eat and sleep.

Compared with other employees in their firms, 13 percent say they receive above-average pay, while as high as 85 percent claim their income is only mediocre or below the average.

Their housing and family living conditions are just as bad, as 86 and 89 percent respectively say they are at or below the average for their enterprises.

With a heavy work schedule, tough conditions, and insufficient sleep and leisure, only 36 percent expressed confidence in their health, while 21 percent say they are exhausted and lethargic, 26 percent have stomach troubles, 23 percent have arthritis; and 12 percent have heart problems.

Busy as they are, only 31 percent of engineers are working on research programmes even temporarily, and as high as 64 percent say they use half or less of their capabilities.

Fifty-six percent say they lack research funds; 60 percent say their facilities, books, and reference materials are inadequate; and 57 percent say the logistical services in their firms are poor. The true percentage could well be higher as about a quarter of those surveyed did not respond to those three items.

Engineers also do not have sufficient time for advanced studies. Only 44 percent say they have taken vocational courses in recent years, among whom 73 percent say their refresher courses took less than six months. More than half say they have not attended any academic activities outside their enterprises in recent years.

As for international academic exchanges, a mere 5.2 percent have travelled abroad for that purpose, while 75 percent do not have such opportunities. Another 2 percent say they did have chances, but could not go because they lacked financial support, were not leaders in their firms, or did not have strong enough backgrounds.

Comparison: Jiang Speech on Reform, Opening **HK1606080292**

Beijing RENMIN RIBAO in Chinese on 15 June carries on page one a 3,800-character XINHUA report entitled "CPC Central Committee General Secretary Jiang Zemin Delivers Important Speech at Central Party School."

This report has been compared with the XINHUA Domestic Chinese version published on pages 23 through 26 of the 15 June China DAILY REPORT under the subhead "Chinese Version" and found to be identical, except for the following variations:

Page 23, column one, second paragraph of item, last sentence RENMIN RIBAO reads... the Central Party School.

Jiang Zemin said... (changing "committee" to "school");

page 24, column one, first full paragraph, sentence nine reads ...path of a lopsided pursuit of output... (changing "single-minded" to "lopsided");

same page, column two, first full paragraph, last sentence reads... from all the civilized achievements of mankind, and in... (rewording);

same page, column two, second full paragraph, last sentence reads ...of accelerating implementation.

Jiang Zemin pointed... (changing "reform" to "implementation");

page 25, column one, first paragraph, first sentence reads ...be made to cultivate the market and establish a ... (rewording);

same page, column two, first full paragraph, sentence two reads... in the past, or in remaining at the level of the incorrect thinkings and policies which overstepped the initial stage of socialism, instead of using the Marxist stand... (rewording, eliminating the phrase "the 'leftists' choose to remain at such a level of understanding");

same page, same column, last paragraph, last full sentence reads ...comes from the "leftist" tendencies. Because people are ... (changing "leftists" to "'leftist' tendencies");

page 26, column one, first paragraph, first sentence reads ...against interference from the "leftist" tendencies.

Jiang Zemin also ... (changing "leftists" to "'leftist' tendencies").

Daily Carries QIUSHI No 12 Table of Contents **HK1606103492 Beijing RENMIN RIBAO** **in Chinese 15 Jun 92 p 5**

[Table of Contents for QIUSHI No 12, 16 June 1992]

[Text] Commentator's Article: "Working Class Should Play Role of Masters of the House in Reform"

Article by Luo Gan: "Deepen Reform, Expand Opening up, Speeding Up Development of Tertiary Industry"

Article by Zhang Xiaolin: "Boldly Absorb All Achievements of Civilization Created by Human Society, Use Them for Reference—Studying Comrade Deng Xiaoping's Important Talks"

Article by Gao Dezhao: "Build Green Shields Well, Run Green Undertakings Well"

Article by Yang Yingbin: "Brief Discussion on Increasing Chinese Nation's Cohesiveness"

Article by Tian Fengshan: "In Running Medium, Large Enterprises Well, Pay Close Attention to What Is of Crucial Importance"

Article by Xu Jingren: "Practice, Understanding of Establishing New Housing Operation Mechanism"

Article by Zhu Yan: "Organizational Work Must Better Serve Economic Construction—Survey of Suzhou City"

Article by Wang Anbang: "Accelerate Extensive Application of Agricultural Scientific, Technological Research Achievements"

Article by Guo Fen: "Young Cadres Should Conscientiously Transform World Outlook"

Article by Chen Fei: "Dig Channels Before Letting Water Out"

Military

Liu Huaqing Recalls Nie's Defense Contributions

OW1406052192 Beijing XINHUA Domestic Service
in Chinese 1242 GMT 13 Jun 92

[By reporter Xu Zhimin (6079 1807 2404)]

[Text] Beijing, 13 June (XINHUA)—At an informal meeting in Beijing today, nearly 100 experts in national defense technology and veteran generals cherished the memory of Marshal Nie Rongzhen's signal contributions and indicated that they will strive for constant improvement of our national defense technology. Liu Huaqing, vice chairman of the Central Military Commission, attended and addressed the meeting.

Liu Huaqing recalled the experience of working directly under Marshal Nie. He said: Marshal Nie was a great founder of New China's undertakings in science and technology and sophisticated national defense undertakings. His outstanding leadership and lofty characters left an extremely deep impression on us. Our present accomplishments in developing weaponry and military equipment and in the modernization of national defense are inseparable from Marshal Nie's painstaking efforts. Liu Huaqing pointed out: As China is still a step behind the developed countries at present, we need to display a spirit of "self-reliance, plain living and hard struggle, seeking truth from the facts through a scientific approach, close cooperation, and selfless contribution"—which was initiated by Marshal Nie on the front of national defense technology—and develop scientific

and technological undertakings for national defense in a characteristically Chinese way, while vigorously absorbing foreign scientific and technological achievements and tracking advanced technology in the world. We should rely on scientific and technological advancement to continually improve the combat effectiveness of our army. While further strengthening the work to integrate military and civilian production to throw the industry of national defense technology into the main battlefield of economic construction, it is necessary to concentrate our efforts on solving major scientific and technological problems in national defense and train a contingent of qualified scientific and technological personnel who are both socialist-minded and professionally proficient to sustain the strong momentum of development of scientific and technological undertakings for national defense.

Renowned scientist and Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference Qian Xuesen, who was absent due to illness, specially sent a recorded speech to the meeting. Famous scientists and veteran generals, Zhu Guangya, Chen Fangyun, Chen Bin, and Liu Youguang, spoke. They said: Marshal Nie had all along called for respect for knowledge and qualified personnel and had honored his word. We should pay attention to the upbringing and advancement of the next generation as Marshal Nie had done for us, shoulder the historical mission of training trans-centenary qualified scientific and technological personnel, and work hard to create a favorable environment for the qualified personnel to excel. During the discussion, some middle-aged and young scientific and technological cadres promised not to let Marshal Nie down and to devote their strength to invigorating the scientific and technological undertakings of the motherland with a strong sense of competition.

Leading comrades of the State Commission of Science, Technology, and Industry for National Defense also took part in the discussion.

Military Electronics Production Strengthened

HK1606022292 Beijing ZHONGGUO XINWEN SHE
in Chinese 0514 GMT 11 Jun 92

[By reporter Jing Xiaolin (2529 4562 2651)]

[Text] Beijing, 11 Jun (ZHONGGUO XINWEN SHE)—China is strengthening the development of its military industrial electronics [jun gong dian zi 6511 1562 7193 1311]. A good development trend is taking shape in its scientific research and production. In this course, breakthrough progress has been made in some advanced fields.

During an interview with this reporter today, Xia Wenxiang, military industrial chief supervisor of the Chinese Electronics Industrial Corporation, said that the decline which has continued for consecutive years in China's military industrial electronics production has now stopped. The corporation has satisfactorily fulfilled the

installation of independent electronics equipment and the task of coordinating different kinds of weapons and has also introduced a number of high-standard scientific research achievements.

In recent years, China's military industrial electronics production plan has been fulfilled by about 70 percent because of the influence of various factors. Since its establishment in June last year, the Chinese Electronics Industrial Corporation, which undertakes the important task of military industrial electronics scientific research, has strengthened its unified management over the country's military industrial electronics. Last year's production task was fulfilled by 90 percent. This year's production situation will continue to look optimistic.

According to statistics, last year the corporation completed 27 projects on the design finalization and production of military equipment and several hundred projects on the design finalization of parts and components as well as on basic scientific research achievements, thus ensuring coordination between key projects.

Now the Chinese Electronics Industrial Corporation has made a major breakthrough in the military industrial electronics scientific research field. Newly manufactured tri-coordinate [san zuo biao 0005 1654 2871] long-range vectoring [yin dao 1714 1418] radar has been proved up to tactical and technological requirements after being put to trial use by the military, thus effectively improving China's air defense ability; the design has been finalized for a new type of supersonic up-link [dui kong 1417 4500] station, which is being put into batch production and has been highly appreciated by the Civil Aviation Administration of China and the Air Force.

Apart from this, Changhe No. 2—China's first long-range navigation system manufactured by the corporation—is now in smooth operation in the South China Sea.

Xia Wenxiang said: The corporation has allocated a special fund this year to carry out technical transformation in some key military industrial enterprises and research institutes in order to enhance these enterprises' scientific research and production levels.

He added that in the course of developing military industrial products, the corporation has also devoted major efforts to the development of electronics system engineering and the production of consumer electronics products, both for the purpose of serving the national economy.

This high-ranking official in charge of military industrial electronics said that in the future China will still focus on national defense construction in developing military industrial electronics; apart from carrying out production to coordinate with planes, missiles, naval vessels, tanks, other weapons, and equipment, it will actively develop independent military electronics equipment including the telecommunications system, the navigation system, and military computers.

Navy Surveys Reef in Spratly Island Region

OW1806020392 Beijing XINHUA Domestic Service
in Chinese 0816 GMT 17 Jun 92

["Feature" by XINHUA reporter Jia Yuping (6328 3768 1627)]

[Text] Yongshu Reef, Nansha, 17 Jun (XINHUA)—It was a heavy sea around Nansha's [Spratly] Niue Reef. However, the survey of the country's last sea control station [hai kong dian 3189 2235 7820] through joint satellite surveying was being intensely carried out here.

The completion of joint satellite surveying of the country's territory would be of great significance for its economic and defense construction.

At 0558, when the sun just appeared above the sea, a small tangerine boat carrying a surveying rod-erecting team of more than 10 personnel was lowered into the dark blue sea from a survey ship. The boat sped toward Niue Reef and then stopped by a very small reef on which only a few people could stand. Lieutenant Commander Yang Lailian, director of the Navy Survey Technology Department, who was on his eighth trip to Nansha, landed on the reef with big strides, and members of the team jumped into the water, which was up to their chests. Braving the waves, they set up a steel tripod. Inscribed on the tripod are these striking characters: "The Surveying and Cartography Bureau Under the PRC Ministry of National Defense." When Liu Sijun, deputy political commissar of the survey ship, planted a five-star red flag on top of the tripod, all those present applauded.

At noon, another small boat carrying technicians and equipment came to the tripod. Army Sergeant First Class Jiang Mingtian deftly climbed up the tripod and set an antenna and receiver on its top. Then, Army 2d Lieutenant Lu Zhilin connected the antenna to an information-processing machine. He struck a few keys on a keyboard, and a number of Arabic numerals and English letters appeared on the screen of the information-processing machine.

During a break, the technicians ate instant noodles and hot pickled mustard tuber. Several hours later, members of the survey team achieved satisfactory results and left the work site. At that time, the sunshine was brilliant, and the sea and the sky were surpassingly beautiful.

PLA Surveying Academy Outlines Methods

OW1306035992 Beijing XINHUA Domestic Service
in Chinese 0955 GMT 11 Jun 92

[By Central People's Broadcasting Station reporters Wang Youqi (3769 0645 7871) and Dou Yishan (4535 4135 1427) and XINHUA trainee Qin Chun (4440 2504)]

[Text] Beijing, 11 June (XINHUA)—After diligently tracking new international surveying knowledge and

technology, as well as actively exploring new methods of conducting ideological and political education, the People's Liberation Army [PLA] Surveying Academy has developed an effective way to cultivate politically and professionally capable senior personnel in its postgraduate education programs. In early June, the academy introduced its methods at a meeting on personnel training in academies and colleges, which was held at the PLA General Staff Department.

The academy, a major national engineering college that trains senior military surveying technicians, has provided postgraduate education programs for 36 years. Because of China's long history in surveying work, the academy had previously been teaching in accordance with China's own surveying knowledge. Because of the development of foreign countries' space technologies in the 1950's and 1960's, however, traditional surveying methods conducted on the earth's surface have developed into new methods in which the earth's shape and its terrain are defined by orbiting satellites. The surveying academy soon sensed that to cultivate senior postgraduates into well-trained, technically refined, and competent professionals capable of guaranteeing accurate surveying techniques for the modernization drive, the academy should abolish closed-door teaching formats and promptly obtain, through various means, information on the new technological revolution so that the postgraduates could master new, international level techniques. Following the continually deepening reform and opening programs implemented since the Third Plenary Session of the 11th CPC Central Committee, the academy has upheld the guiding principles of being geared to the "modernization drive, the outside world, and the future." The academy has persisted in tracking new international knowledge and techniques, and it has paid attention to inviting renowned and authoritative surveying experts from developed countries to lecture at the academy. It has successively sent more than 50 professors and lecturers to visit and study in 13 Western countries. It has helped the postgraduates' supervising teachers attend international surveying conferences, and so far more than 100 theses have been presented in exchanges sponsored by international academic conferences. It has readjusted the organizational structure and curricula of the academy; renewed its teaching contents by adding new technologies, theories, and knowledge that reflect the progress in the surveying industry; and set up scientific research on new technologies, including satellite positioning, remote sensing, and digital map-making.

As an engineering college that promptly tracks all achievements of the world's technological revolution, the academy has made enormous contributions to cultivating competent senior professionals. In their discussions, Major General Gao Jun, president of the surveying academy; Maj. Gen. Qu Liyong, deputy political commissar of the academy; and members of the academy party committee standing committee contended: Technical expertise only solves problems related to the development of competent professionals; problems related to

the cultivating of successors also have to be resolved. The higher the students' academic levels, the more important ideological and political education will become. Deciding whom to serve and succeed is a major issue. The academy party committee, training and political departments, departmental leadership, and supervising teachers have always made concerted efforts to handle and manage this task. They have formed and conducted a special ideological and political education system for the postgraduates as follows: 1) They guarantee that a three-year education program on political theories will be continually carried out. The postgraduate students will spend 160 hours to systematically study Marxist theories and theories on building socialism with Chinese characteristics during the course of reform and opening up. Education is not merely aimed at memorizing a few epigrams. Its objective is to enable postgraduates to use the Marxist viewpoint to recognize and understand all events, change their own world outlooks, and strengthen their awareness for reform and opening so that they can benefit throughout their lives. 2) The academy's leading bodies have formulated more than 10 rules and regulations including the "Regulation on Responsibility Cards on Ways for Supervising Teachers To Teach and Cultivate Students," "Regulation on Managing Postgraduates," and "Regulation on the Task of Cultivating Postgraduates." The rules and regulations are aimed at systematizing and regularizing the ideological and political education system for the postgraduates to guide them to conscientiously maintaining a very similar political consensus with the party Central Committee. 3) The academy has established a system whereby the postgraduates' political theses and their overall political character will be evaluated and examined, and conferring of postgraduate degrees will be strictly controlled. The academy requires that after completing political theory classes, postgraduates will each write a political thesis, based on the actual conditions of their study of certain special subjects and their individual mentality in accordance with Marxism's basic viewpoints, summarizing the formation of their world outlook and improvement in political awareness in the preceding three years. Eventually, the thesis evaluation unit, principally comprised of senior staff instructors from both the political education and postgraduate departments, will evaluate the thesis. Also, at the end of every term the academy will use various methods, including individual self-evaluation, mutual classroom evaluation, and item-by-item evaluation, comprehensively examine each postgraduate on political awareness, theoretical understanding, sense of forging ahead, moral character, and concept of discipline. Finally, while examining academic performance and scholastic thesis, the academy's academic degrees evaluation committee will also strictly check political performance and quality of political theses. Graduation or the degree will be denied to postgraduates with a poor political thesis, poor quality political performance throughout the year, or generally unsatisfactory moral character. This has changed conditions whereby conferring of degrees had

nothing to do with political theory study, political performance, moral character, work style, or discipline. Hence, this format has further strengthened the postgraduates' own initiatives to use Marxism to conscientiously transform their world outlook. Postgraduates have symbolically summarized this format as the "dual thesis system."

For a long time, the PLA Surveying Academy has paid attention to cultivating both politically reliable and professionally competent professionals, achieving remarkable results. Many academy postgraduates have been members of groups of survey technicians participating in China's large-scale projects, including the Beijing positron-electron collider, the Gezhouba Dam, and the Daya Bay nuclear power station, being constructed in the course of reform and opening up, as well as construction of all rockets, guided missiles, and artificial satellites. After graduating from the PLA Surveying Academy, the postgraduates have regarded making contributions to the socialist motherland as a glorious duty and taken as their sacred obligation the opportunity to join in reform and opening up in the drive for socialist modernization. Consequently, a large number of renowned personages at home and abroad have emerged from among the ranks of these postgraduates. Examples of these postgraduates: Lieutenant General Shen Rongjun, vice minister of the Commission of Science, Technology and Industry for National Defense, has been entrusted with heavy responsibilities. Dr. Li Zhengxin [2621 2973 1800], researcher at the Shanghai Astronomical Observatory and the first person from China's surveying circles to earn a doctorate overseas, recalculated parameters of the earth's rotation. Major General Gao Jun [7559 0193], member of the evaluation group under the State Council Academic Degrees Committee, professor, supervisor of doctoral candidates, and president of the Surveying Academy, has made outstanding contributions to map-making theory and to related research for their application. Qian Cengbo [6929 2582 3134], outstanding national teacher, professor, and supervisor of doctoral candidates, has made extraordinary contributions to research related to analytical photographic positioning theories. Major General Xiong Jie [3574 0094], professor and vice president of the Surveying Academy, has made distinguished contributions to research related to elliptical projection in global surveying studies. Associate Professor Yang Yuanxi has been named "China's Master Degree Holder With Extraordinary Contributions" by the State Council Academic Degrees Committee. Associate Professor Dan Jie has been commended by the China Association for Science and Technology and was presented with the "National Outstanding Youth Award in Science and Technology" in 1990. Over the past more than 30 years, armed with the lofty feelings that they "will sacrifice for the motherland, render meritorious deeds for the people, and fight for the army's glory," batches of academy postgraduates, upon graduation, have worked hard in conjunction with military surveyors and officers. Except for some very small areas, including Taiwan Province

and some islands in the South China Sea, they have victoriously completed the task of surveying China's topography, covering 9.6 million square km, thereby fulfilling the needs of modern economic development and national defense construction.

Army Paper on Interest Relations in Reform

*HK1606010992 Beijing JIEFANGJUN BAO
in Chinese 3 Jun 92 p 3*

[Article by He Jiab. (6320 1367 1732): "Correctly Approach Readjustment of Interest Relations in Reform"]

[Text] After Comrade Deng Xiaoping's important speeches were relayed and implemented, a new upsurge of reform and opening has emerged in all parts of the country. The in-depth development of reform will bring about the readjustment of interest relations in various aspects of society. This will inevitably affect the family of every cadre or soldier in our Army. We members of the Army should hold a correct attitude toward such readjustment of interest interests and take concrete action to support and participate in reform. Concretely speaking, in particular, relations in the following three aspects should be properly handled.

First, Correctly Handling the Relationship between Partial and Overall Interests [quan ju li yi 0356 1444 0448 4135]

Firmly keeping the overall viewpoint and consciously bringing one's action into line with the overall interests is the fine tradition of our party and Army. This is also a basic requirement for every member of the Communist Party and revolutionary army. Since the beginning of reform and opening up, our Army, responding to the party central leadership's call, has consciously obeyed the overall interests of national economic construction [guo jia jing ji jian she da ju 0948 1367 4842 3444 1696 6080 1129 1444]. This has won high praise from the broad masses of the people. Under the new situation of speeding up the pace of reform and opening up, our Army should continue to obey and support the overall interests of economic construction and continue to act in line with the overall interests of national economic construction.

First, obeying the overall interests of national economic construction is an important point in the Army's task to escort [bao jia hu hang 0202 7468 6233 5300] reform and opening up, and is also a concrete demonstration of the Army's implementation of the party's basic line. That the Army obeys the needs of national economic construction is a concept that Comrade Xiaoping forwarded long ago. Our Army is the pillar of the dictatorship of the proletariat. Obeying and serving the overall interests of national economic construction is an important demonstration of our Army's character, purpose, and function. That the Army continues to obey the overall interests of national economic construction when the pace of reform and opening up is being quickened

and constantly safeguard the party's road, system, and policies since the Third Plenary Session of the 11th CPC Central Committee is of great significance for maintaining national prosperity and social stability and for guaranteeing the smooth development of reform and opening up.

Second, obeying the overall interests of economic construction is a necessary step for realizing the Army's modernization. The Army's modernization cannot do without the development of national economic construction. Only when the people get rich can the country become wealthy, and only when the country gets wealthy can the Army become strong. Only when the country gets wealthy can the military's expenses be increased and can a solid material foundation be laid for the Army's modernization. On the contrary, when the country is still not wealthy and is still plagued by financial difficulties, if the Army's development is placed in an inappropriate position, this will inevitably affect the development speed of national economic construction. Then, not only will the overall interests of the state and the people be harmed, but the Army's modernization will also enjoy no long-term or fundamental guarantee.

Third, the principle of obeying the overall interests of national economic construction is a positive principle. The reform over the previous more than 10 years has not only brought solid benefits to civilians, but has also benefited the troops in many aspects. The quality of food, clothing, shelter, transportation, and cultural and recreational activities of our cadres and soldiers has been greatly improved; the agricultural and sideline production of the troops, the jobs for the spouses of officers, the schooling conditions for the children of officers, and other welfare conditions of the troops have been getting better and better. This fully shows that "when the river rises, the boat also goes up." Like civilians and institutions, the Army also benefits from reform and opening up. The further development of national economic construction will certainly provide a better guarantee for the Army's development; the richer the civilians are, the more solid reliance will the Army have.

Second, Correctly Handle the Relationship Between Immediate and Long-Term Interests

Admittedly, after the beginning of reform and opening up, the military units did lag behind some civilians in the aspect of economic life to a certain degree. Most comrades in the Army had mental prepared for this, and could correctly approach such a gap by bearing in mind the overall interests of reform. They showed a high degree of ideological consciousness. However, a small number of comrades were psychologically imbalanced and had a sense of loss. The key to solving this problem in some people's minds lies in helping them correctly approach the relationship between immediate and long-term interests.

First, there must be a correct attitude. Before the beginning of reform and opening up, the troops' living conditions were somewhat better than the average civilian's living conditions. Now, in many places, through reform, the civilians' living standards have been improving faster than the military personnel's, or have surpassed the military personnel's. This should be regarded as a good thing. It indicates that the people's standard of living in our country is improving. As the people's army that should serve the people wholeheartedly under the CPC's leadership, our military personnel should be revolutionary soldiers bearing commitments to all of society and having a dedicating spirit in seeking benefits for the people, and should be happy to see this. They should be willing to be the last to get rich in society.

Second, comparison should be made correctly. The reform's fundamental purpose is to develop productive forces and to further improve the masses' standard of living. This represents the long-term interests of the hundreds of millions of people. However, reform is a process of gradual development and improvement, and the people cannot all gain more benefit at an equal speed. Civilians and institutions constitute the main force in conducting the economic structural reform, and they also form the main battlefield of reform and opening up. In particular, those in the coastal areas are required to advance ahead of others in reform and opening up, and it is quite natural that they also get rich ahead of others. When we make comparisons with civilians and institutions, we should make all-sided and dialectic analysis. We should not merely compare benefits without comparing contributions; merely compare the living conditions without comparing the working conditions; and merely compare with the coastal areas without comparing with some interior areas. Otherwise, we may feel "being treated unfairly" [chi kui 0676 5719] through such comparisons. The correct comparison way is to compare with the living conditions of most people, especially the people in areas which are still not rich. Some of our troops are stationed in border areas, on islands, or on plateaus, and they are indeed facing a great deal of hardships in their day-to-day lives. We should give them more care and try by every possible means to help them settle the difficulties they are actually facing. However, in our country, are the military personnel the only people who still live in difficult conditions? No. Steelworkers, coal miners, geological prospecting team members, and many people in other trades also face a great deal of hardships in their day-to-day work and lives. At present, officers and servicemen in various military units may face many new issues, such as the housing system reform and the impact of enterprise reorganization [you hua zu he 0327 0553 4809 0678] on their relatives' jobs. The local governments and civilian institutions are also commonly faced with such issues. These issues can only be solved gradually along with the national economy's development and the reform measures' better coordination. If we can think and compare in this way, we will become more enlightened and clearheaded.

Moreover, we should also have noble moral character. As an important precondition for being conscientious in obeying the overall interests of reform and being able to correctly handle the relationship between immediate and long-term interests, we should establish a correct outlook on life and correct values. We should not confine the significance of life to the narrow scope of satisfying individual needs, and should struggle for the realization of the common ideal of the entire people in the whole country. Everyone of our officers and servicemen should stand on the high plain of the reform and have foresight. When dealing with an issue, we cannot merely seek immediate benefit without giving consideration to the long-term interests. The long-term interests represent the people's fundamental interests. When we are required by the long-term interests to gain less or temporarily lose something for the time being, we should understand that such "losses" for the time being are worthwhile, as without certain "losses" today, we shall not achieve greater "gains" tomorrow. In short, if one only cares about immediate interests and gives no consideration to long-term interests, one is shortsighted. We should be glad to "plant trees" for future generations and seek no pleasure from "relaxing in a cool place under the shade of trees," and should be willing to "suffer losses" for the time being to seek "benefits" for future generations. This is the breadth of vision we revolutionary soldiers should have.

Third, Correctly Handling the Relationship Between Individual and Overall Interests [zheng ti li yi 2419 7555 0448 4135]

Fundamentally speaking, quickening the pace of reform and opening up is aimed at promoting the development of social productive forces to the maximum and satisfying the increasing needs in the material and cultural lives of the entire people, including our military personnel. However, in the course of reform, it is inevitable that relations between various interests will be readjusted. On some issues, it is inevitable that contradictions will arise between individual and overall interests. In particular, as various localities are quickening the reform of the economic structure; transforming the enterprise operational mechanisms; optimizing the combination of production factors; and reforming the housing, wage, and price systems, this will inevitably have an impact on all people in society, including the families of military personnel. So we are required to free the breadth of our vision from the confined scope of individual interests, to correctly handle the relationship between individual and overall interests, to combine individual needs with overall needs, and to consider individual interests under the premise of satisfying the overall interests in society.

Individual interests are closely linked with overall interests. The overall interests are composed of the interests of innumerable individuals, which find expression in a form of overall needs in society. On the other hand, society's overall interests also provide the foundation and precondition for the realization of the interests of

individuals. When the overall interests cannot be satisfied and guaranteed, the realization of individual interests is impossible. Therefore, the overall interests must be higher than individual interests, and individual interests must be subordinate to the overall interests. At the same time, individual and overall interests are fundamentally identical. An important guideline of the reform is to closely combine the work of workers with their material benefit. With the reform's in-depth development, it should and can bring tangible material benefit to the entire people including our military personnel. We should be conscientious in obeying the overall interests and taking into account the needs in the reform, and must not appraise the advantages and disadvantages of the reform only according to our temporary personal gains and losses. Only thus can we guarantee the smooth development of in-depth reform, guarantee the full realization and sustained development of the overall interests, and also guarantee the interests of individuals. We should be aware that in the course of reform, the sacrifice of certain individual interests is only temporary, and the difficulties are surmountable. We should believe that the party and the government will adopt various effective and well-coordinated measures for solving the new problems arising in the course of reform, and will give more support and care to the troops. Everyone of our officers and servicemen should approach and consider things by standing in the position representative of the whole of reform, and should link one's fate closely with the destiny of the party and the Chinese nation, thus really sharing a common fate with the party's cause and throwing one's lot in with the reform, working contentedly with the Army, and doing one's utmost to build the Army well.

Economic & Agricultural

State Councillor's Article on Role of Accounting
HK1706011592 Beijing RENMIN RIBAO in Chinese
10 Jun 92 p 5

[Article by Wang Bingqian: "Strengthen Accounting Work, Promote Faster, Better Economic Development"]

[Text] It is our strategic choice to emancipate and develop productive forces through reform and opening up and build socialism with Chinese characteristics. To this end, it is necessary to pursue the party's fundamental line of "one center and two basic points" resolutely. Efforts to boost the economy will have to rely on two [as published] wheels: Science and technology and management. Accounting forms a vital component part of economic management; it is also an important reflection of progress in science and technology. How to give full play to the role of accounting in bolstering economic results and serving socialist construction under the new situation has become an increasingly urgent practical issue.

Fully Recognize the Importance of Accounting Work

Since the founding of the PRC more than 40 years ago, our country has made major accomplishments in its accounting work but at the same time, it also suffered from serious interference and destruction. Positive and negative experiences have made us realized that accounting is a major economic management undertaking and that it gains greater importance as the economy becomes more developed.

One. Doing a good job in accounting and giving full play to its functions is beneficial to the efforts to boost economic results. The amount of economic results that people derive from material production is determined primarily by the social system and the growth level of productive forces. However, economic results also vary even under identical social systems and identical growth levels of productive forces. Adept planning and skillful business accounting then become decisive. Modern accounting is a form of management which encompasses the entire process of and covers all directions in forecasting, control, post-accounting, analysis, and feedback. As long as accounting work is carried out well, it can become an impetus for other forms of management and exercise a lasting effect in improving economic results. Naturally, it is necessary to rely on scientific and technological progress to boost economic results. However, scientific and technological progress requires capital input and is thus restricted by financial resources. On the other hand, such restrictions very seldom affect attempts to strengthen management. Any unit can manage it as long as it is adept at learning and willing to work hard. Therefore, doing a good job in accounting is of an indispensable and realistic significance to efforts to boost economic results.

Two. Doing a good job in accounting work contributes to stronger macroeconomic management. Someone has estimated that 70 percent of information needed in the management of enterprises comes from the accounting department. In the past, some people have maintained that accounting information was only useful in microeconomic management, and so limited the role of accounting to individual units like enterprises and institutions. This kind of viewpoint is consistent with neither objective reality nor trends in the development of accounting. The reality is: Accounting information is not only useful to individual units, but also plays an increasingly important role in macroeconomic management. For instance, important indicators which measure the general state of the national economy, such as gross national product, national income, and total amount of state-owned assets, are obtained after collecting all accounting statements and reports. Moreover, the composition of the total value of social products and the levels of taxation and profits within an industry are also taken from the accounting statements and reports. These economic indicators are extremely valuable in controlling total supply and demand, maintaining structural equilibrium, and even correctly applying economic levers. In this sense, accounting serves as a link in economic

management and constitutes an integral part of microeconomic management. Looking at the development trend in accounting, collectivized production demands that accounting evolve into social accounting. Presently, China is studying and setting up a system of business accounting for the national economy, and has already achieved certain results in this endeavor. We hope that workers engaged in theories and practical application related to accounting will make the necessary contributions to the setting up of a macroeconomic accounting system with Chinese characteristics by embarking on courageous exploration, bold experiments, and active coordination in this endeavor.

Three. Doing a good job in accounting plays an important role in ensuring normal economic operations as well as their orderly progress. A normal economic order is needed to develop a socialist planned commodity economy and implement an operational mechanism integrating planned economy with market regulation. Recalling the history of China's socialist construction, each and every instance of rectification and readjustment always requires hard work in tightening financial expenditures and strengthening accounting work. When the economy gets out of control, it often leads to chaos in accounting work, and when this happens, it, in turn, foments and aggravates the loss of control in the economy. Cases recording the infringement of financial and economic disciplines as exposed in the massive probes into taxation, finance, and commodity prices in recent years show that these violations can only be prevented and stopped by keeping a tight rein in accounting. Efforts to promote honest government and prevent the use of public funds for bribery purposes, junket trips, and extravagance and waste also involve the question of whether accounting personnel can perform their duties according to the law; the problems of indiscriminate charges, fines, and apportionments which are deeply hated by all units and the people can only be stopped through supervision by accounting personnel according to the law. To a certain extent, accounting represents an important "strategic pass" to ensure the normal and orderly progress of economic activities.

Establish an Accounting System Suitable to the Needs of Socialist Planned Commodity Economy

Since the Third Plenary Session of the 11th CPC Central Committee, particularly in the process of carrying out the fundamental line of "one center, two basic points," we have obtained very big achievements in accounting work, manifested primarily in the following: Accounting has an increasingly stronger role in strengthening economic management and boosting economic results; the building of a legal system related to accounting work has produced remarkable results, marked by the formation of a system of accounting laws and regulations with "Accounting Law" at its core; special training of cadres engaged in accounting work brought fairly good results; the study of accounting theories developed vigorously. However, in affirming these achievements, it is also necessary to take note of the less than desirable facts in

accounting work: 1) Reform of accounting is not in step with the reform of the economic structure, resulting in delayed reactions to new situations and problems emerging in the course of reform; 2) Lax supervision in accounting, highlighted by fairly common instances of failure to observe the law and of violations of accounting laws and regulations; 3) The accounting system remains flawed and disorderly as it lacks a rigid binding mechanism, making it impossible to stop all kinds of infringements effectively; 4) Because some accounting personnel do not have a strong sense of participation and of the concept of benefits, the quality of the ranks of accountants has yet to cope with the demands of economic growth and of reform and opening up. Consequently, the presence of these problems undercuts the effectiveness of accounting and is detrimental to the development of productive forces as well as the improvement of economic results. Therefore, they should be solved through further emancipation of the mind and deepening of reform.

Our accounting reform is aimed at the establishment of an accounting system suitable to the needs of a socialist planned market economy. For this purpose, it is necessary, first of all, to satisfy the demands of an economic operational mechanism which integrates planned economy and market regulation, and set up operational accounting which is geared toward raising economic results and which also contributes to the perfecting of the methods of operations in an enterprise. Second, it is necessary to adapt to the changes in the management functions and methods of state organs, and, in the course of managing accounting matters, gradually set up an accounting management system which has the "Accounting Law" at its core and other accounting regulations as its principal features, applies economic, legal, and administrative means simultaneously, is beneficial to the strengthening of macroeconomic regulation and control, and also gives full play to the initiatives as well as creativeness of localities, departments, and grass-roots organization. Furthermore, it is also necessary to promote the accounting profession around the country vigorously and set up a system of social supervision and consultation services related to accounting. To achieve the aforementioned objectives, it is imperative to carry out, first of all, the following tasks satisfactorily:

One. Define and implement financial accounting standards by taking into consideration the country's realities and borrowing audaciously from international experience. The existing accounting system in China was drawn up on the basis of separating ownership systems, departments, and industries. It was consistent with the traditional system of planned economy. At that time, the state basically had direct control over enterprises, and aside from the two public ownership systems represented by the systems of ownership by the entire people and by the collective, the nonpublic sector part of the economy was still very insignificant. Moreover, the substance and methods related to management in enterprises were fairly simple, while the number of enterprises operating

across sectors and departments was very small. Accounting was designed primarily to satisfy management needs in state planning. With the implementation of the policy of reform and opening up, China's economic structure as well as the methods of internal operations of its enterprises underwent a new transformation. The existing accounting system was ill-suited to this change. Hence, an important task in accounting reform is the formulation of uniform accounting standard for the entire country, with the "Accounting Law" as its foundation, and based on the demands of a planned commodity economy on accounting. As the accounting standard serves as the basic norm in defining the accounting system and carrying out accounting, it can cover all kinds of ownership systems and all sectors and trades. In line with the norm of this accounting standard, the Ministry of Finance or the Ministry of Finance and the principal department in charge at the State Council can draw up standard accounting systems for different industries or sectors. Guided by a uniform accounting standard, all units can design and draw up a suitable accounting method based on demands spelled out in the accounting system provided as an example. This will not only provide a uniform standard, but also takes care of the different distinctive features of each unit. By integrating ordinary with unique features and by integrating macroeconomic with microeconomic management, the strength of this accounting standard quickly becomes evident.

Two. Reform accounting methods and open up new domains in accounting work based on the demands of a planned commodity economy and focused on raising economic results. On the basis of a satisfactory job in recording, calculating, and reporting, the focus of accounting work should be shifted to forecasting, decisionmaking, controlling, and supervising economic activities and benefits. Accounting work should penetrate all the links in productive and operational activities, expose contradictions, explore potentials, raise economic benefits, and promote the growth of productive forces. To realize this transformation, it is necessary to apply comprehensively modern management theories and methods like marginal analysis, value engineering, goal management, and budget control, and to take part in operational decision-making and management. To this end, it is necessary to reform traditional accounting methods in a positive but also organized manner. For instance, in incorporating accounting into the process of decisionmaking in an enterprise, it is necessary to anticipate future accounting information, and consequently, to reform the existing pattern of simple cost accounting. It is thus necessary to carry out system cost accounting to handle the distribution relationship between state and enterprise, and also to carry out cost accounting related to decisionmaking and control like conversion, variant, and responsibility costs to satisfy the operational and management demands of enterprises. Other methods which do not comply with the demands of a planned commodity economy, like fixed capital subject to amortization and the principle of exclusive funds for exclusive

projects, should be analysed seriously according to the three criteria on "whether it is a case of being surnamed socialism or capitalism" as spelled out by Deng Xiaoping, so that methods which may stem from the capitalist system, but which satisfy the general requirements of collectivized production may be absorbed and borrowed for our purposes. As science and technology represents the primary productive force, advanced technological methods should be applied in accounting work so that accounting personnel can be liberated from tedious routine work and their principal energy channelled to the multi-level work of analysis, forecasting, and decision-making, and enable them to offer ideas and suggestions on the operation and management of enterprises.

Three. Toughen the check-and-balance mechanism in financial accounting and strengthen accounting supervision. In the reform of the economic structure in the 1990s, the macroeconomic regulation and control of the national economy by the state has to be shifted from primarily direct means to primarily indirect means, from primarily physical regulation and control to primarily value regulation and control, and from application of primarily administrative measures to application of primarily economic levers. Command planning will be reduced further, while guided planning as well as the scope of guidance by policy will be expanded; enterprises will be oriented toward the market and will have to strive for survival and growth amid competition by changing methods of their operations, using their income to support expenditures, and endeavoring to create more profits. Whether these changes are introduced through macroeconomic or microeconomic management, it is necessary to strengthen management and bolster the supervisory functions of accounting. To bolster the supervisory functions of accounting, it is necessary to step up the building of a legal system so that laws are upheld and enforced strictly. The "PRC Accounting Law" promulgated in 1985 was a landmark denoting the entry into a new stage of our efforts to build a legal system related to accounting work. The "Accounting Law" defines the functions, position, work principles, and fundamental requirements of accounting work; it is the basic law in accounting and must be observed by all units and individuals, but in implementing the "Accounting Law" intensively, it is still necessary to draw up other complementary laws and provisions to form a complete system of laws and regulations governing standard accounting endeavors. In the process of reform and opening up, it is necessary to study seriously, as well as resolve, the new situations and problems which have appeared and will appear in the economic life to standardize them and create a system of financial accounting laws which is suitable to the needs of a planned commodity economy. At the same time, leaders at all levels should support accounting personnel in carrying out their duties according to the law, and should absolutely prohibit harassment of and retaliation against accounting personnel who stand by principles. Cases involving beatings of and retaliation against accounting personnel should be dealt with severely according to the

law. It is necessary to support accounting personnel in exercising their functions according to the law; it is also necessary to show concern in the work, studies, and living conditions of accounting personnel so as to give full play to their initiatives and creativity. Accounting personnel should continue to upgrade their own political and professional qualities and endeavor to become red managers who are loyal to their duties and who act according to the law.

Vigorously Develop the Chartered Accounting Profession

Chartered accountants are professionals who practice accounting with the sanction of the state. It is their primary function to accept bailments [wei tuo 1201 2094] according to the law and, in their capacity as an impartial third person, to conduct legitimate and factual examination of accounting reports and other economic materials supplied by certain economic organizations as well as to provide objective, fair, and legally valid reports. In terms of its job nature, accounting should come under the category of social notarization and thus is an important part of social supervision. Only by vigorously promoting accounting offices, giving full play to the role of chartered accountants, and establishing a double level of supervisory structure which integrates internal and external operations, will it be possible to provide an excellent economic discipline conducive to the development of a socialist commodity economy.

The system of chartered accountants is the product which results when a commodity economy has developed to a certain stage. After the Industrial Revolution, big machine industry replaced the manual factory industry, resulting in a tremendous growth in social productive forces and in the commodity economy. The operational scale of enterprises also expanded, and in particular, the emergence of shareholding companies brought about a managerial class and also promoted the separation of the right of ownership from the right of management. To prevent abuses by the managers and protect the interests of the owners, a legally sanctioned practicing accountant first appeared in England charged with the exclusive task of examining the books of companies. Later, this system spread to other developed countries under a commodity economy. It then gradually turned into an independent and socially recognized profession. When a commodity economy reaches a stage where its market mechanism is highly developed and relationships among economic interests become increasingly complex, it is necessary to bestow the chartered accountant with a detached position so that he can provide, in an objective and fair manner, reliable reports on the financial conditions and operational achievements of an enterprise to the parties with conflicts of interests. In this way, the target of the chartered accountant's services moves from individual enterprises to the entire society. It follows that his functions can also evolve from the elementary objective of protecting the investor's interest to functioning as social notarization which is needed by all interested parties involved in

commodity economic activities. The history of the birth and development of the system of chartered accountants shows: It was determined by the objective needs in the development of a commodity economy.

To cope with the demands of reform and opening up, our country restored the system of chartered accountants in 1980 and so far, there are 1,500 accounting offices, including branches, around in the country, and 6,700 chartered accountants, all constituting an important element in the country's accounting and business management system. In line with the inherent demands of a planned commodity economy, the establishment, perfection, and development of a system of chartered accountants in our country is of enormous significance. On one hand, the chartered accountant in China serves the opening up to the outside world by assuming a heavy, legally defined responsibility in matters involving Sino-foreign joint investments, Sino-foreign joint venture, and foreign-funded enterprises such as capital verification, accounts examination, accounts settlement, and liquidation. This is a prerequisite for a better investment climate in our country. On the other hand, the chartered accountant is also confronted by an extensive range of work related the effort to invigorate the domestic economy and deepen reform comprehensively. For instance, notarized financial and accounting information are needed in setting up a stock market. Moreover, after an enterprise turns into a relatively independent commodity producer, whether or not it can upgrade its management level as well as its economic results is a major issue which can determine its survival or death; hence, it needs the operational diagnosis and management advice offered by a professional chartered accountant. All these are areas in which chartered accountants can display their skills. To promote the development of a system of registered accountants, we set up the China Association of Chartered Accountants in 1988. It is a professional organization in which chartered accountants and accounting offices carry out self-education and self-supervision. The association shoulders heavy responsibilities in protecting the professional rights and interests of registered accountants, launching education of professional ethics and special skills, organizing exchanges of experiences, and conducting professional supervision. Henceforth, we should affirm the legal status of chartered accountants through legislation, define their functions and responsibilities, and standardize the behavior of chartered accountants and accounting offices as well as the government's rights and responsibilities in managing and supervising them. At the same time, it is necessary to take a firm grasp in training and examinations, swiftly train a contingent of chartered accountants who are reasonably young and talented, and who have a fairly high degree of political and professional qualities. Vigorous efforts should be made to step up the building of accounting offices, bolster direction and management over them, and allow them to display their roles in economic activities more effectively. Furthermore, it is necessary to step up international exchanges among chartered accountants, and

absorb international experience to push our country's chartered accounting profession into a higher stage of development.

Luo Gan Article on Developing Tertiary Industry

HK1806080992 Beijing RENMIN RIBAO
in Chinese 14 Jun 92 p 2

[Article by Luo Gan (5012 1626) for publication in QIUSHI No 12, 1992: "Deepen Reform, Expand Opening Up, and Speed Up Development of Tertiary Industry"]

[Text]

I.

Quickening the development of tertiary industry is a major strategic task specified by the "Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development." The comprehensive, rapid, and healthy development of tertiary industry is of great immediate and far-reaching strategic significance for promoting adjustment of the economic structure, mitigating employment pressure, improving the investment environment and the conditions for social reproduction, solving deep problems in our country's economic development, promoting the in-depth development of reform and opening in a broader scope, and strengthening socialist spiritual civilization.

The 1990's is a crucial period for our country's socialist modernization. It is a strategic need to quicken the pace of tertiary industry's development, to improve the economic structure, and to raise the national economy to a new stage every several years in our country's transition from a developing country into a developed country. The changes in the economic structure of the developed countries show that with the development of social productive forces, the proportion of primary and secondary industries gradually declines and the proportion of tertiary industry gradually rises. This is the tendency in the development of socialized mass production and is the inevitable result of the enhancement of labor productivity, the sophisticated division of labor in society, and social progress. At present, in high-income nations, the proportion of additional value created by the tertiary sector in GNP and workers in tertiary industry in the work force both reach about 65 percent; in middle-income nations, the average figure is about 50 percent; and even in low-income nations, the average figure of these two ratios is also about 30 percent. However, in our country, the ratios are 27 percent and 18.6 percent respectively. This is not only lower than in developed countries, but is also lower than the level of countries and regions situated at developments level similar to our own. Of course, there exist many incomparable factors between various countries because there are differences in the development level of the productive forces, in the economic structure, and in statistical standards. However, it is an undeniable fact that tertiary industry in our country remains in a backward condition. At present, the

development level of tertiary industry has become a major yardstick for measuring the degree of modern socioeconomic development in a country. According to the regularity of economic development in many countries, when economic development attains a certain level, tertiary industry generally grows at a higher speed than primary and secondary industries and plays an obvious role in promoting the further development of the national economy as a whole. Through reform and opening over the past 10 years or more, our country has entered this development stage. The development of our country's socialist modernization drive, the obvious enhancement of the people's living standards, the gradual expansion of the scope of consumption, the rapid development of science and technology, and the shift of the rural population will all raise higher requirements for the development of tertiary industry. Therefore, we must grasp this opportunity and make great efforts to quicken the pace of development in tertiary industry. Only thus can we solve the problem with tertiary industry whose development still lags behind primary and secondary industries and thus lay a good foundation for achieving the second-step and third-step strategic objectives.

Quickening the development of tertiary industry is also an objective need in promoting the further development of primary and secondary industries and in rationalizing the economic structure. The unreasonable economic structure is a major problem that must be urgently solved in our country's economic development, and a major step to rationalize the structure of the national economy is to quicken the development of tertiary industry and raise the proportion of tertiary industry in the economy. On the one hand, it is necessary to increase inputs to tertiary industry and on the other hand it is necessary to adopt measures to shift some enterprises in secondary industry to tertiary industry. The present industrial structure in our country, with processing industry having an excessive production capacity, is very unreasonable. Moreover, production facilities there are seriously duplicated at low levels and economic efficiency is very low. This also adds difficulty to development. If we only try to improve the overall structure by increasing quantitative changes merely through increasing inputs and starting new projects, then no quick results will be achieved as it will take a long time for such measures to become effective. Moreover, this is not a realistic option because of the limitations of our national strength. The most effective way is to adjust the existing production capacity and to guide some enterprises, which cannot develop further and have to be closed down or merged with others, into tertiary industry through relevant policies. This should be an important orientation of industrial structural adjustment.

Quickening the development of tertiary industry is a need in establishing economic operation mechanisms that combine the planned economy with the market economy [shi chang jing ji 1579 1034 4842 3444]. Establishing a unified socialist market system is one of

the three major targets of our country's economic structural reform. Markets are derivatives of commodities and are also the foundation for the operation of a commodity economy. Under the conditions of a commodity economy, not only plans (including mandatory plans) have to be carried out and tested through the market, but the formulation of plans is also inseparable from the market. If the market is not well developed and circulation channels unimpeded, it will be hard to conduct social reproduction normally and to raise the efficiency and accuracy of overall economic control. The market's growth requires a substantial development of tertiary industry, and the development of tertiary industry will in turn promote the growth and development of the market. Therefore, quickening the development of tertiary industry; perfecting the circulation system; promoting the establishment of markets for producer goods, funds, technology, consulting services, information, skilled and professional manpower, labor, and real estate; the formation of a new order in the commodity economy, quickening movement, and optimizing the disposition of production factors have all become important conditions for forming the operation mechanisms that combine the planned economy with the market economy.

Quickening the development of tertiary industry is a need in settling the increasingly serious employment problem in our country. The placement of the labor force is a special issue in our country. For a long time in the past, two-thirds of our country's work force was tied to limited farmland. In cities, we adopted the option of low wages and high employment rates to temporarily mitigate employment pressures, but we paid a heavy price for this. The results were unfavorable to the adoption of advanced technology and the enhancement of labor productivity. Henceforth, with the enhancement of industrial modernization and agricultural productivity, a large part of the work force will leave primary and secondary industries. By the year 2000, about 100 million to 150 million working people will be shifted away from agriculture and there will be more than 10 million redundant workers in cities and towns waiting for new positions. In addition, a considerable number of redundant staffers will appear in streamlined administrative institutions, and more than 6 million school graduates will join the work force every year and will need to find jobs. It will be absolutely impossible to provide jobs for so many people completely through state industrial investment. The capacity to absorb labor varies greatly in different industries. If an equal amount of investment is made, tertiary industry may absorb twice or even three times as much labor as manufacturing industry can absorb. Moreover, there are a large number of trades in tertiary industry, including labor-intensive, technology-intensive, and knowledge-intensive trades. So they can provide jobs for people with different educational and vocational backgrounds. Therefore, quickening the development of tertiary industry and providing as many jobs as possible for people in all aspects is a pressing task for the time being and is also an extremely important

issue that must be solved for our country's economic development, structural reform, and social stability.

Quickening the development of tertiary industry is a need in upgrading the people's livelihood from the condition of subsistence to the condition of being comparatively well-off. The condition of being comparatively well-off not only refers to a certain figure that the people's average income should attain, a substantial improvement in the people's food, clothing, and shelter, and a great change in their consumption structure, but also refers to the development level of tertiary industry, especially the quality of social services in communities and the quality of residents' everyday lives. Along with the development of the national economy and the enhancement of the people's income level, the living conditions and environment of the people will be greatly improved. The people will raise more and higher requirements in various aspects of their material lives, such as food, clothing, shelter, transportation, communications, sanitation, and environment, and they will also raise more and higher requirements in their cultural lives, including cultural and recreational activities, radio, television, movies, books and other publications, sports, health care, and pleasure travel. To meet changes in the consumption structure and needs raised by the higher quality of the people's lives, tertiary industry must develop rapidly. At the same time, it must also be noticed that in tertiary industry, the rapid and healthy development of various services for residents and scientific, technological, educational, and cultural undertakings will certainly play a positive and important role in promoting the construction of material and spiritual civilization.

For a long time in the past, because the commodity economy in our country was not developed, some comrades did not correctly understand the role of tertiary industry. They thought that only such material production sectors as industry and agriculture could create wealth and that tertiary industry did not create social wealth. They even put tertiary industry in the category of bourgeois economics. Guided by these erroneous thoughts, lopsided stress was laid on production and circulation and services were neglected. Tertiary industry was not taken as a major pillar of the national economy and inputs were inadequate, prices unreasonable, and many trades in tertiary industry had to rely on financial subsidies and lacked internal power for self-development. Development was thus affected. To quicken the development of tertiary industry, we must clarify and correct such confused and erroneous ideas. It should be noticed that in tertiary industry, not only do the departments of transportation, postal service, telecommunications, commerce, and material distribution directly create value, but some service trades also create value or ensure the realization of value. They are all indispensable in the process of social reproduction. Although service work does not produce tangible material products as primary and secondary industries do, it still bears the nature of commodity production. Marx

explicitly pointed out that service work "provides services for their buyers and consumers with specific material attributes. For producers who provide such services, services are commodities." (*Complete Works of Marx and Engels* Vol 26, p 149) Investment in tertiary industry can achieve a high rate of return so tertiary industry can provide a substantial quantity of accumulation for society. In our state revenue, the share from tertiary industry rose from 20 percent in the 1970's to more than 30 percent in the 1980's. For a certain period to come, the sources of our country's national income and social accumulation will depend more and more on the development of tertiary industry. With tertiary industry being developed, it will lead to a more rapid increase in GNP. Together with industry and agriculture, it will become a major sector for developing the national economy, creating social wealth, and providing accumulation.

II.

The sluggish development of China's tertiary industry is directly connected with the economic structure. To develop tertiary industry speedily and in an all-around way, we must follow the spirit of Comrade Deng Xiaoping's remarks made during an inspection of South China, further deepen reform, widen the scope of opening up, actively carry out various kinds of experiments in the course of speeding up the development of primary and secondary industries, and boldly probe ways and methods for speeding up the development of tertiary industry.

To extensively mobilize and rely on various forces in society and encourage idle funds in society for use in tertiary industrial development, we should persist in the principle of taking public ownership as the main component, allowing diversified economic sectors to coexist, and "simultaneous development by the state, the collective, and the individual." Basic trades and key projects in tertiary industry listed in the Eighth Five-Year Plan and 10-Year Program should be undertaken mainly by state investment; forces in society should be extensively mobilized to run the majority of service trades, amusement businesses, and labor services in tertiary industry. Enterprises in particular should be mobilized to run them so as to bring into full play the role of collective, private, and individual economies. Because most trades in tertiary industry are of a very mobile nature, are widely distributed, have a small investment scale, and are characterized mainly by labor services and others, the state does not need and finds it inconvenient to undertake them all. It is most suitable for collective, private, and individual sectors to run these trades with investment. In this respect, policy should not restrict them too rigidly. For example, wholesale businesses should remain mainly in the hands of the state, but we should not restrict individuals from engaging in wholesale commodities. Individuals should be allowed to carry out wholesale for some commodities. As a matter of fact, they are engaged in wholesales of commodities. Individuals engaging in wholesales of vegetables has enlivened the market. Individuals also engage in live products

wholesale, hardware, and daily necessities. A clear demarcation should be made in applying policies regarding the varieties and quantities of products undertaken by individual wholesale. Forces in society can be mobilized to run some trades of a strongly monopolized and unified nature, such as communications and post and telecommunications businesses under the prerequisite of unified planning and unified management by introducing competitive mechanisms. In speeding up the development of tertiary industry, we should mainly extensively mobilize forces in society instead of excessively relying on state investment.

In developing the collective, individual, and private economies boldly, it is necessary to rectify some outmoded concepts and prejudices existing in society. Influenced by the traditional concept of paying attention to agriculture and historically restricting commerce and by the concept of the product economy, the social position and material benefits for people engaged in commerce and service trades has been comparatively low, some undertakings urgently needed in people's lives have gradually withered, commercial service networks in some cities have become even fewer than the early days of the founding of the PRC, and a strange situation has emerged in which "many things are left undone and many people have nothing to do." Since the introduction of reform and opening up, individual commercial and service undertakings have developed much, have played an important role in meeting the needs of industrial and agricultural production as well as the urban and rural people's lives and in solving employment problems in society, thus becoming a necessary and beneficial supplement to the socialist, publicly owned economy. Because the legal system is imperfect, however, management work is lagging behind and the quality of some individuals is not good. There have indeed been some violations of the law and unhealthy things in the course of developing individual tertiary industry. These problems must be taken into serious account and solved by strengthening management and supervision, but we should not negate the necessity of developing individual tertiary industry because some problems have arisen in the management of the individual economy. We should understand that under the socialist economic system with public ownership as the main component, encouraging and guiding individuals to carry out commercial and service undertakings and appropriately developing individual tertiary industry will not shake the leading position of the socialist publicly owned economy, nor will it change the basic pattern of national income distribution. Mobilizing the forces in society for faster development of tertiary industry is conducive to expanding socialist economic forces and speeding up the rate of economic development. There is a need to understand the necessity of developing individual tertiary industry to confirm the necessary supplementary role of individual tertiary industry in a publicly owned economy, to enhance the social position of people

engaged in tertiary industry, and to protect the legitimate rights and interests of laborers engaged in tertiary industry.

In speeding up the development of tertiary industry, we should take industrialization as the orientation, further reform the existing management structure which does not conform with the demand for developing productive forces, and set up a self-development mechanism full of vitality. With the exception of some units really requiring state financial support, tertiary industrial enterprises should all carry out independent operations, assume sole responsibility for their profits and losses, and become relatively independent economic bodies. For historical reasons, tertiary industry has long been regarded as an institutional sector or welfare unit. This practice has restricted its development. Reform must be carried out gradually to change its institutional and public welfare nature to an operational one. Policies must be aimed at setting up a mechanism which enables tertiary industry to be full of vitality and to carry out self-accumulation and self-development. Tax reductions and exemption methods should not be adopted excessively. Before the establishment of a mechanism for the self-development of tertiary industry, local governments may also introduce some tax reductions or exemptions within the framework of their powers, but they should focus their work on enabling tertiary industry to be run like an enterprise by providing guidance and support in terms of policies to create a fine environment for it to become an economic body worthy of the name. To solve the long-existing inadequate compensation of value, it is necessary to abide by the laws of value and reform the existing tertiary industry price system. The state will decide the standards of prices and charges in basic trades which have an important bearing on the national economy and the people's lives as well as urban public utilities and some welfare undertakings; control should be gradually relaxed over most price standards and service charges in tertiary industry with floating prices for individual cases and price negotiations between the same type of trade or within relevant trades themselves to form rational price relations.

To smash the "large and all-inclusive" and "small and all-inclusive" closed, self-service systems, we should gradually realize the socialization of the logistics services and welfare facilities of government organs, enterprises, and institutions by focusing on deepening reform of enterprises' operational mechanisms, reforming state organs, and actively encouraging administrative personnel to separate themselves from government organs to engage in service undertakings. In the meantime, we should energetically develop undertakings in society which serve production and life and should assimilate as many personnel as possible who leave government organs. This is an important orientation for speeding up the development of tertiary industry. In realizing socialization, we can proceed from three aspects: First, carry out a full set of policies to enable government organs, enterprises, and institutions to open their internal advisory and information organs as well as service and

transport facilities to society. Of course, due to restrictions by various factors including confidentiality, security, conditions, and location, not all government organs, enterprises, or institutions can be opened to society. Those possessing the necessary conditions should open themselves to society as soon as possible. Those not equipped with the necessary conditions for the time being should gradually open themselves to society by creating the necessary conditions. Those which open themselves to society should gradually separate themselves from their original units to become economic bodies carrying out independent operations and accounting. Second, is to adopt feasible policies and measures to encourage tertiary industrial enterprises to undertake the logistics work of government organs, enterprises, and institutions, and some of their routine and vocational work. At present, government organs, enterprises, and institutions can ask professional service organizations in society to carry out some of their vocational work. For example, some financial work of a notary nature could be entrusted to accounting or auditing offices. Some policy research could also be entrusted to consultancy and information organizations in society by paying them certain charges and they would provide survey reports or suggestion reports. This would help reduce personnel in government organs, enterprises, and institutions as well as duplication and would improve work efficiency and economic results. Third, is to devote major effort to developing tertiary industrial service organizations in society. When tertiary industry in society becomes developed, convenient, and more effective, government organs, enterprises, and institutions no longer need their internal, closed, self-service facilities. More service organizations could also undertake the logistics work of government organs, enterprises, and institutions and their vocational work.

To speed up economic structural adjustment, it is necessary to encourage tertiary industrial enterprises to merge industrial enterprises which should be closed, suspended, merged, or shifted to other production by transcending the barriers between departments, trades, and regions. Preferential treatment and support should be provided for this in terms of asset transfers, debt clearance, credits, and taxation. Recently the Beijing Dongan Group merged the Beijing No.2 Wristwatch Factory, and the Beijing Department Store merged the Beijing Hosiery Factory, thus providing good experience for tertiary industrial enterprises merging industrial enterprises. On the one hand, this helps speed up the development of tertiary industry and is favorable to the adjustment of the tertiary industrial structure; on the other, it helps reduce surplus, low-level, and duplicated industrial processing capacity and is favorable to internal industrial structural adjustment.

To encourage laborers from different strata, particularly personnel with special skills, to engage in various service undertakings in tertiary industry and newly emerging trades connected with scientific and technological progress, we should reform the existing labor and

employment management system and implement an employment system which integrates recommended employment, voluntarily organized employment, and self-sought employment. Laborers in tertiary industry should be treated equally in terms of employment policy, appraisal of skills and position titles, and other aspects. To promote the healthy development of tertiary industry, there is a need gradually to change the present situation in which examination and approval procedures for business commencement are complicated and too long, and management is lax over the trades carried out. It is worth considering that various trades formulate their detailed standards for business commencement and the conditions for carrying out trades. According to enterprise registration ordinances, special state regulations on special trades, and by referring to standards for business commencement and carrying out trades, industrial and commercial management departments should provide examination, approval, and registration directly to units and individuals who apply for business commencement. Tertiary enterprise operational autonomy should be expanded, and these enterprises should be allowed to use more flexible methods and expand their operational scope. In the meantime, management and supervision over the trades carried out after business commencement should be strengthened and all kinds of violations of the law should be stopped promptly. Macroeconomic regulatory and control measures should be reformed and improved; different policies should be applied to taxation, credits, and income distribution; the regulatory role of economic levers should be brought into play; and in particular, special attention should be paid to bringing the market mechanism's role into more effective play. In the course of strengthening management over trades which can easily produce high profits, measures should be taken to promote the formation of average profit rates through competition, reduce exorbitant profits, and alleviate unfair distribution in society.

To solve the problems of funding and sites for the development of tertiary industry, material and financial resources in society can be assimilated, the shareholding system can be introduced, or the method of issuing bonds can be adopted to raise funds. Also, idle real estate, equipment, and technology can be used for investment. To solve sites for the operation of tertiary industry, particularly all kinds of commerce, service trades for the people's convenience, and cultural and sports undertakings, it is necessary to formulate encouraging policies to utilize fully houses and empty sites along main streets in cities and towns. In building residential housing areas, we should ensure a certain proportion of land for the development of commercial and service networks. Differential land rents from the real estate business belong to investors and users; the state will not carry out egalitarianism or the indiscriminate transfer of resources. The issuance of bonds, stocks, and other negotiable securities; experiments with stock markets; experiments with financial companies as well as capital accommodation and leasing companies; and

experiments with rural insurance against disasters should be expanded in a planned way step by step.

To raise the grade and level of tertiary industry so that it will develop toward internationalization, there is a need to further emancipate the mind and expand the scope of using overseas funds, technological, and marketing channels and building more Sino-foreign joint ventures, cooperative enterprises, and foreign-invested enterprises. For example, large Sino-foreign joint-venture shopping centers could be built on a trial basis in special economic zones and reform experimental zones. As with setting up Sino-foreign joint-venture restaurants, by building Sino-foreign joint-venture shopping centers we can learn advanced management and flexible operational methods from foreign countries, improve our management level and service quality, and enhance our country's commerce to a new level. We should also consider granting import and export rights to large state-run commercial and materials enterprises through certain examinations and approval procedures to enable them to gradually develop into chain stores or comprehensive commercial cooperatives managed in a unified way by domestic and international markets and strive for development outside our borders and toward international. The experiment to open foreign-invested banks in some open coastal cities should also be expanded.

III.

In speeding up the development of tertiary industry, we should draw up a plan and decide on development targets and main points. We should also provide different kinds of guidance in light of specific conditions, implement this guidance step by step, and proceed according to our ability. Viewed from the entire country and in accordance with the requirements of the "Outline for the 10-Year National Economic and Social Development Program and the Eighth Five-Year Plan," in the 1990's, the development rate for tertiary industry should be faster than primary and secondary industries and should reach 9 percent. In this way, by 1995 and 2000, the tertiary industry's value will have respectively increased to around 730 billion yuan and 1,100 billion yuan. If GNP increases at an average annual rate of 6 percent, these values will account for 30 and 35 percent of GNP respectively. Efforts will be made to increase personnel engaged in tertiary industry to 200 million by 2000, which will account for about 30 percent of all laborers in society with the present percentage being scarcely 20 percent. What merits more attention is this: In 1990 and 1991, tertiary industry's incremental value rates were only 2.27 percent and 5.3 percent respectively. Apart from not fulfilling the planned quotas, these were even lower than the GNP growth rate and their proportion of GNP decreased. If GNP growth exceeds 6 percent because of comparatively high industrial development rates in the future, tertiary industry's value increment should account for about one-third of GNP with double-digit or above increases. The ratio between the growth rates for tertiary industry and GNP should remain at 1.5:1. Evidently, the task facing us is arduous.

In speeding up the development of tertiary industry, we should take account of prominent problems in actual economic life, focus on the central task of adjusting the economic structure and improving economic results, deepen and coordinate with economic structural reform, and make efforts to probe the socialized service field, expand employment avenues, and improve the industrialization and socialization of existing tertiary industry to meet the needs of economic development, the improvement of the people's standard of living, and reform and opening up. Apart from arrangements in the state plan, forces in society should be mobilized for the following key developments: first, circulation and service trades which serve production and make things convenient for people's lives; second, newly emerging undertakings related to scientific and technological progress, such as undertakings for scientific and technological development and popularization as well as information and consultant service trades; and third, social service systems in rural areas. The target to develop tertiary industry is gradually setting up a complete tertiary industrial development system which corresponds with China's national conditions. This mainly includes:

1. Conformity with the operational mechanism which integrates the planned economy with a market economy as well as the socialist market system with complete categories and a rational structure. We must smash regional barriers, break through departmental separation and monopoly over trades, bring about smooth commodity circulation, and make the best use of everything. In forming an urban market system, we should develop all types of markets, such as comprehensive plazas, shopping centers, professional markets, retail and wholesale markets, spot and futures markets, new products and old products markets, visible and invisible commodity markets, consumer goods and production materials markets, financial markets, markets for labor services and talented people, consultancy and information markets, technology markets, real estate markets, and all kinds of production factors markets. This will speed up the rational circulation of production factors, promote the development of primary and secondary industries, improve economic results, and create conditions for the formation of an operational mechanism which integrates the planned economy with a market economy.

2. The establishment of an urban and rural socialist comprehensive service system composed of traditional and newly emerging trades in which information, consulting, scientific, technological, and other intellectual services take the lead, with services for production and life as the main body to enhance the degree of socialization and specialization of tertiary industry and meet the people's increasing demands in various aspects and strata for their material and cultural life. In establishing this urban and rural socialist service system, it is first necessary to pay attention to the development of newly emerging service trades in tertiary industry, particularly trades which comply with scientific and technological progress and serve the popularization and application of

science and technology. A multifunctional, multitier, omnidirectional, and perfect scientific and technological service system should be formed to provide necessary service for the transformation of more scientific and technological achievements into real productive forces. For example, speeding up the development of accounting, auditing, legal, scientific, and technological consultancy trades not only serves enterprises, improves their economic results, and is favorable to state taxation management, but also helps improve the scientific nature of policymaking. Second, it is necessary to develop actively socialized service trades which serve urban and rural people, particularly in developing all kinds of family labor services, such as the decoration and maintenance of houses, the repair of household electrical appliances, medical services for health recuperation, cultural and sports services, kindergartens, homes for the elderly, and other kinds of service which provide convenience for people. These services can be undertaken by all kinds of companies or by all kinds of service networks run by subdistrict or neighborhood committees. Third, particular attention should be paid to developing rural tertiary industry. China's rural tertiary industry is particularly backward. Agricultural modernization relies not only on the development of agricultural production but also on the overall and speedy development of tertiary industry. Through developing tertiary industry, we can assimilate a large amount of the labor force which will shift from agriculture, raise the commodity rate of agricultural products, improve the cultural level of peasants and their quality as a whole, increase their income, improve urbanization in rural areas, and enrich the peasants' material and spiritual lives.

3. The establishment of a social insurance system under which social welfare and a social insurance business commonly develop, basic insurance is integrated with supplementary insurance, and the state, the collective, and the individual rationally undertake the burden. It is necessary to gradually expand the scope of the social insurance system, including social insurance, social welfare, and social relief for the old, for the job-awaiting, for medical treatment, and for occupational injuries; to expand the experiment on insurance for rural disasters; to consolidate and develop economic bodies which assist the poor; to exercise good management over mutual aid reserve foundations which provide relief aid to disaster areas and assist the poor; and to do a good job in social relief and social welfare work. With the establishment of the social insurance system and the socialized comprehensive service system, we can change the practice of enterprises running society to the practice of society serving enterprises, which will greatly improve social benefit and enterprises' economic results. This will also lighten enterprises' burdens and create conditions for transforming enterprises' operational mechanisms and carrying out the coordinated reform of large and medium state enterprises.

When drawing up their tertiary industrial development plans, localities should, on the one hand, decide the focal

points of their short-term development and leading trades on the basis of conscientious investigation and study in light of their specific conditions; and on the other, they should take a long-term view and integrate focal points of short-term development with long-term development targets. In the meantime, relevant policies and measures should be formulated to ensure the smooth implementation of their plans. Some regions in China have achieved certain levels in their economic development, are equipped with all kinds of resources for tertiary industrial development, and have good geographical locations. They should make tertiary industry the focal point for their regional economic development and gradually turn themselves into the country's tourist, financial, and shopping centers, so enabling tertiary industry to promote the entire regions' economic development. Some regions which are rich in agricultural or industrial resources should take agriculture or industry as their focal points of development and develop tertiary industry which serves agriculture or industry to promote overall regional economic development. Different regions have different economic development levels, different economic structures, and different resources. Their focal points for tertiary development should also be different. The recurrence of low-level duplication construction and structures tending toward similarity, which has happened with previous industrial development, should be prevented.

Speeding up the development of tertiary industry is a strategic task in materializing China's grand target of modernization. Through 10 years or so of reform and opening up, China has reached a new stage in economic development and is equipped with the conditions for overall and speedy tertiary industrial development. We must firmly seize this opportunity, change our concepts, widen our train of thought, formulate plans, strengthen leadership, and adopt practical and effective policies and measures to bring about greater development in tertiary industry as we have with agriculture and industry.

Economic Circle 'Speaks Out' on Market Theory

HK1606005092 Hong Kong CHING CHI

TAO PAO in Chinese No 22, 8 Jun 92 pp 9-10

[Article by Ho Hsu (0149 3563): "China's Economic Circle Speaks Out—Theories on Market Economy Raised Once Again"]

[Text] Against the background of quickening the pace of reform and increasing the intensity of reform, China's economists broke their silence, emancipated their minds, and boldly forwarded some new viewpoints and conclusions. The theoretical studies in the field of economics have become animated again and a gratifying situation has appeared. Among others, being the most noticeable and representing the most significant breakthrough, a number of economists recently once again called for establishing the proposition of the "socialist market economy" and affirming its status.

Yu Guangyuan: The Term "Market Economy" Is Not Pestilence

Elder economist Yu Guangyuan warned: The term "market economy" is not pestilence, so its use should not be evaded. He pointed out: Market economy is in fact a synonym for commodity economy. Commodities are in fact products that are produced for the market and exchanged in the market. It is far-fetched to argue that "market economy" and "commodity economy" are two different things. At present, it is necessary to call for developing China's market economy with perfect assurance.

Liu Guoguang: The "Market-Oriented" Operation Mechanisms

Famous economist Liu Guoguang, who always advocates and insists on the "market-oriented" reform, recently said when being interviewed by the press that the forming of a market economy must be preconditioned by the high development of the commodity economy, and the "market-oriented" reform is aimed at building anew the operation mechanisms of the "socialist market economy." He held that the socialist market economy is representative of the double sublation [shuang chong yang qi 7175 6850 2254 2757] of the traditional socialist planned and the capitalist market economies. He also mentioned that the era in which people turn pale at the mention of the market economy should end, and now is a good time to go all out to develop a socialist market economy.

Wu Jinglian: "Socialist Market Economy" Is a Distinctive Proposition

Famous economist Wu Jinglian, who was extremely active in the field of economic theory in recent years, said that it is now necessary to put forth a distinctive proposition for China's new economic structure, and the proposition should be able to reflect China's reform experience in the past more than 10 years, should be in line with the consensus of most people in China, and should be able to accurately generalize the character of the socialist economy with Chinese characteristics. He said that "socialist commodity economy" is a proposition whose grounds cannot be found in the classics of Marxism, nor is it a term in the common language of modern economics, still less can it pinpoint the operational characteristics of a specific economic structure. Therefore, he proposed the adoption of the term "socialist market economy" which is more distinctive and accurate than the "socialist commodity economy." He also pointed out that commodity economy and market economy are two interrelated concepts. A market economy is a commodity economy which attains a degree of socialization. The essence of China's economic reform is to replace the old mode of resource disposition according to administrative order with a new mode of resource disposition on the basis of the market mechanism. In this sense, the socialist economy can be called a market economy.

Relations Between Commodity Economy and Market Economy

According to the opinions in China's economic circles recently, more and more economists agree that the commodity and market economies should not be set against each other and that the market economy is not something exclusively belonging to capitalism. They hold that it is extremely absurd to set a commodity economy against a market economy, to only develop commodity production without a market, and to only develop a commodity economy without a market economy. They point out that the market and commodity economies have always existed hand in hand and can never be separated from one another. If the commodity economy is the content, then the market economy is the form and gives concrete expression to the commodity economy in reality. In the world, there does not exist any commodity economy without the form of market or any market economy without the content of commodities. Therefore, no matter whether in socialism or capitalism, as long as there is a commodity economy, there must also be a market and a market economy. According to the objective requirements of the commodity economy's development on the basis of socialized large-scale production, China's economic reform is not oriented to the so-called planned economy based on the state's direct distribution of products, nor is it oriented to a completely spontaneous market economy (that is, free trade among the enterprises). It can only be oriented to a planned market economy, which is based on the integration of planning and market, that is, the socialist market economy.

Things Promoted by Deng Xiaoping's Speeches During His Inspection in the South

People noticed that it was not smooth sailing to advocate the socialist market economy theory, and the course of advocating this proposition was full of twists and turns and encountered various obstacles. Now people still clearly remember that in the reform's early years, as soon as a number of economists with Xue Muqiao as the representative forwarded the viewpoint that the socialist economy should be a commodity economy, they were criticized by other people who staunchly upheld the planned economy, and the planned economy theory still held a dominant position for the time being (as reflected in the political report to the 12th party congress). It was not until 1984, when China's economic structural reform was extending from the countryside to cities and was developing in depth and when it was objectively necessary to apply the market mechanisms and to give full play to the role of the law of value, that a number of economists once again forwarded the socialist commodity economy theory. At that time, the concept was officially adopted by the Third Plenary Session of the 12th CPC Central Committee, which pointed out that the objective of China's economic reform was to set up a "socialist commodity economy." This should be regarded as the most important breakthrough made by

the Chinese economic circles, and it was of epoch-marking significance. In 1988 and 1989, China underwent economic turbulence (serious inflation) and political trouble (the 4 June Incident), and the "socialist commodity economy" theory again became the target of some people's attacks and criticisms. They attributed all problems in China's economic operation and political life to the "market-oriented" reform, and even linked the issue of planning and market to the issue concerning the basic social system by raising the question of whether this bore the surname "socialism" or "capitalism." Not long ago, Deng Xiaoping once again explicitly pointed out in his speeches during his inspection tour of the south: "A planned economy is not equal to socialism, as planning also exists in capitalism; a market economy is not equal to capitalism, because there is also market in socialism." His words constituted a serious criticism against those whose thinking was ossified and conservative and those who were hostile to or afraid of the market economy. Precisely on the basis of deeply understanding the essence of Deng Xiaoping's remarks, the Chinese economists once again forwarded and justified the proposition of "socialist market economy."

This Is a Major Issue of Principle

The relationship between planning and market in the socialist economy is a major issue of principle, because it is not only a major theoretical issue but also an important practical issue. The approach and handling of this issue have a direct bearing on the success or failure of the reform and on the destiny of socialism.

People have also noticed that the socialist market economy theory represents the development of Marxist theory on political economy and socialism, and also represents another major breakthrough against the traditional "planning-market" theory. On the eve of the 14th CPC National Congress, the economists boldly and explicitly advocated and gave publicity to "socialist market economy." This was profoundly significant, and gave expression to an attempt to create a more extensive and more widespread consensus of opinion: The socialist market economy is an economic operation mode suited to socialized large-scale production, and it will be conducive to economic prosperity, the enhancement of the people's living standards, and the consolidation and development of socialism.

Forum Views More Foreign Investment Opportunities

*OW1606135692 Beijing XINHUA in English
1332 GMT 16 Jun 92*

[Text] Guangzhou, June 16 (XINHUA)—China is poised to open more investment opportunities to foreign retail sellers so as to boost its commercial sector, according to a national seminar on commerce, which opened here today.

The country plans to encourage foreign enterprise groups and transnational corporations to open shopping centers

or department stores in a number of cities on the Chinese Mainland on a trial basis, according to an official from the Ministry of Commerce.

"Foreign merchants will bring with them capital as well as advanced managerial methods, which can help invigorate the state-run and cooperative stores," the official said.

The state-run stores are faced with the challenge of private and individual commercial establishments with more flexible management, which have mushroomed since the country launched economic reforms a decade ago, the official said.

However, the state-run stores have easier access to most of the brand-name products, farm produce and local specialties, and this holds great appeal to foreign investors, he said.

The introduction of foreign-funded commercial establishments will help land their Chinese counterparts on the international market as most would-be investors have already established worldwide commercial networks, said the official.

He revealed that the Ministry of Commerce is considering establishing several enterprise groups and transnational groups and granting them with the right to foreign trade so as to make them competitive on the international market.

The introduction of foreign commercial establishments and management is also expected to have impact on the country's industrial produce mix and the development of new products, he said.

According to the seminar, the No. One Department Store of Shanghai and a Japanese company have jointly invested in a retail shop in Shanghai's New Pudong Area.

It is learned China's commercial sector has about 700 enterprises involving over 1.2 billion U.S. dollars of overseas investment. Most of them are engaged in the catering trade, food, grain and oil processing industry and light and textile industries.

BOC To Issue Bank Notes in Hong Kong in 1994

*HK1706092792 Hong Kong WEN WEI PO
in Chinese 17 Jun 92 p 2*

[By staff reporter Tai Pao-erh (2071 1405 0334) from London: "Bank of China To Issue Bank Notes in 1994, Hong Kong Government Reportedly Agrees to Plan"]

[Text] London, 16 Jun—The Bank of China [BOC] will issue bank notes in Hong Kong in 1994 and the bank notes issued will constitute 5 percent of the total number of bank notes.

A well-informed person told this staff reporter that the Bank of China had contacted the Hong Kong Government on the issue of issuing bank notes and that both

sides had agreed that the BOC would begin issuing bank notes in 1994, that the bank notes issued would make up 5 percent of the total number of bank notes, and that the number of bank notes issued would be readjusted according to market needs. The sizes and colors of the bank notes will be similar to those of the present bank notes issued by the Hong Kong and Shanghai Banking Corporation and Standard Chartered Bank. The design of the bank notes to be issued by the BOC has not been decided yet.

He said that the Hong Kong Government had already agreed to this plan. The BOC will officially apply to the Hong Kong Government within this year to become a bank note-issuing bank. Should the Legislative Council carry out a revision of the relevant laws in the next one or two years, the BOC would be able to issue bank notes in Hong Kong in 1994.

State Firms in Province-Status Cities Cut Losses

HK1806135892 Hong Kong ZHONGGUO TONGXUN
SHE in English 1333 GMT 18 Jun 92

[Text] Beijing, June 18 (HKCNA)—State-owned enterprises in the 14 cities enjoying provincial status within the state plan have to some extent variously succeeded in checking operational losses. Among them, Shenzhen has wiped out loss-making in its state-owned enterprises while eight other cities including Shenyang and Ningbo have reduced the size of their losses compared with the same period last year.

Due to effective measures taken, the total amount of losses in state-owned enterprises in the 14 cities dropped by 12.3 percent in the first four months of this year compared with the same period last year. Among them, Shenzhen wiped out its losses, Shenyang reduced its by 51.7 percent, Ningbo by 49.6 percent, Qingdao by 35.1 percent and Guangzhou by 4.6 percent, while Wuhan, Chongqing, Changchun and Harbin reduced theirs to varying extents.

Government Sets Up Addition Bonded Areas

OW1606144192 Beijing XINHUA Domestic Service
in Chinese 0614 GMT 16 Jun 92

[By reporter Wang Yanbin (3769 6066 175)]

[Text] Beijing, 16 June (XINHUA)—Following the establishment of bonded areas in Shanghai, Tianjin, and Shenzhen, China also set up additional bonded areas in Dalian and Guangzhou in May 1992. At the same time coastal provinces, including Shandong, Zhejiang, Jiangsu and Fujian, are also preparing to set up bonded areas.

Experts in relevant fields believe that when compared with other open areas, bonded areas adopt more flexible and preferential policies and are run according to international practice. For this reason, they have become one of the new economic spheres in China's opening to the

outside world, after the establishment of coastal open cities, economic and technological development zones, and special economic zones.

China's first bonded area was set up in Shanghai's Waigaoqiao in September 1990. This is followed in succession by the establishment of other bonded areas in Tianjin Port and Shenzhen's Shatoujiao, Futian, Dalian, and Guangzhou. A few more bonded areas will be set up in the future in accordance with the conditions of certain areas. Several other special economic zones are also actively preparing to set up bonded areas.

A bonded area resembles a foreign free trade zone or a free port. It is a border or coastal area within the national boundary set aside to facilitate management. Through a totally closed system and the principle of "applying external tariff rates within national boundaries," all imported goods have to come in and go out through the front doors because the back doors are closed, and all will be administered tariff reductions or exemptions. Within a bonded area, trading, storage, processing, transfer, financing, and property development may be carried out. Bonded areas enjoy better preferential treatment than open areas and special economic zones. For instance, in a bonded area, goods may be moved in and out without a permit and are tax exempt. Enterprises within a bonded area is entitled to engage in international trade, transfer, and cross-border trade. Goods entering a bonded area from a nonbonded area within the national boundary are generally exempt from customs duty and value-added tax; and enterprises within a bonded area are allowed to retain their foreign exchange for turnover use.

The Tianjin Bonded Area, making use of its advantage of possessing the largest container freight dock and drawing on its experience in running commercial bonded warehouses, was able to move ahead of other bonded zones in the country. Since it decided to invite foreign investments in October last year, it has approved the establishment of more than 100 enterprises, with a total investment worth \$259 million, of which \$96.796 million was invested by foreign businessmen. Currently, the bonded area is trying to improve its infrastructural facilities and regulations in the hope of attracting more foreign investments.

According to local economists, enterprises in bonded zones may make direct inroads into the international market and compete in the world as specific economic entities. The zones' effective and practical management system and fine investment climate will not only spur local economic development but will also fuel new economic growth in China during the 1990's. These economists have stated: Bonded zones, which are China's new open areas, are still in the experimental stage. Some regulations need to be fine-tuned, and the functions of bonded zones should be expanded.

Trade Office Urges Cutting Production, Stockpiles

OW1706182292 Beijing XINHUA Domestic Service
in Chinese 1255 GMT 17 Jun 92

[By reporter Su Minsheng (5685 3046 3932)]

[Text] Xian, 17 Jun (XINHUA)—According to a forum here on the work of limiting production, reducing stockpiles, and increasing sales in the northwestern and southwestern regions—despite an upsurge in China's industrial production since the beginning of this year—there has been a rising trend of funds used for finished products and other areas which merits the close attention of local governments at all levels and competent authorities.

A responsible comrade of the State Council's Economic and Trade Office [ETO] has disclosed: As of the end of April, funds used for finished products in state industrial enterprises which have accounts with the Industrial and Commercial Bank of China reached 133.3 billion yuan, up 23.6 billion yuan from the beginning of this year; in eight provinces and municipalities, the value of overstocked finished products each increased by more than 1 billion yuan over the beginning of this year. The amount of commodity funds issued totaled 141.6 billion yuan, an increase of 10 billion yuan. Funds used for receivable and advance payments of goods were 103.5 billion yuan, up 12.9 billion yuan. Funds used for these three areas added up to 378.5 billion yuan, or 46.5 billion yuan more than the beginning of this year.

Analyzing the increase of funds used for finished products in the first four months of this year, authoritative economists have pointed out: In addition to such objective factors as insufficient transport capacity, seasonal

production, expanded scale of production, and price rises of some production means, the increase of funds has been caused primarily by the subjective factor that some localities have lowered their awareness of the importance to limit production, reduce overstock, and increase sales. With production growing rapidly, these localities fail to strictly follow the principle of basing and increasing production on sales prospects and to evaluate the marketing rate of products; they even renew the production of some seriously overstocked goods already in excessive supply. As a result, the stockpiling of products has been aggravated since the beginning of this year. Such a trend, if not halted promptly through effective measures, will affect normal circulation of the national economy.

To solve the problem, the ETO has recently held a series of forums on the work of limiting production, reducing stockpiling, and increasing sales in the northeastern, central, central south, northwestern, and southwestern regions. The ETO has urged all localities and departments to adopt effective measures for continuing to carry out the work without fail. All localities and departments should strictly limit the production of slow-selling goods, should actively explore markets, should base and increase production on sales prospects, should work hard to readjust product mix, and should exert every possible effort to produce goods with good quality and efficiency and which are in demand by the markets. Before the end of August this year, all provinces and municipalities should liquidate the newly added overstock so as to ensure the accomplishment of this year's targets for limiting production, reducing stockpiling, and increasing sales; and to facilitate circulation of the Chinese economy according to a highly efficient cycle.

East Region

Foreign High-Tech Investment Aids Xiamen Economy

HK1906003492 Beijing ZHONGGUO XINWEN SHE
in English 1445 GMT 18 Jun 92

[Text] Xiamen, June 18 (CNS)—High-tech items have shown a sharp rise in a new boom of foreign investment in the Xiamen Special Economic Zone (SEZ). During last May when the Xiamen government set out to attract Hong Kong businessmen, a number of pledged investment agreements were signed altogether worth over U.S.\$200 million, six of which were high-tech items involving satellite receiving equipment, high-grade fitting-up techniques and colour monitors with a total investment of over U.S.\$20 million. The Xiamen High-Tech Park area introduced seven investment items with contractual investment of over U.S.\$10 million and RMB [renminbi] 60 million over the first four months this year.

Various signs indicate that high-tech items will to some extent dominate the adjustment of industrial structure taking place in Xiamen.

With the growth in foreign investment since the establishment of the Xiamen SEZ, there has on several occasions been large-scale adjustment of the industrial structure there. The introduction of foreign capital to develop new high-tech industry in a bid to build the Xiamen SEZ into a technology-intensive high-tech industrial zone is the goal the city intends to pursue now and in the future to lure foreign investment and undertake the adjustment of the industrial pattern of the place.

Xiamen and the State Science and Technology Commission co-founded the 84-hectare "Xiamen Torch High-Tech Industry Development Zone" in order to push forward the develop of high-tech industry. The Zone has since become a new popular spot for foreign investment with the introduction of over ten foreign-funded items worth more than U.S.\$100 million. Industries to be developed include bio-engineering, new materials, communications and liquid crystal display technology. The Xiamen government signed a new agreement with the State Science and Technology Commission last May to jointly create the China Science and Technology Development Institute (Xiamen) and to build the Xiamen "International Scientific and Technological Town," the Xiamen Jinding New High-Tech Research Institute, the first Sino-foreign cooperative-ventured high-tech research body in Fujian Province, has signed a contract. All these undoubtedly give a boost to a great extent to cooperation between Xiamen and the hinterland as well as Hong Kong, Taiwan and overseas places in the field of high-tech development while facilitating the industrialization of high-tech commodities and the internationalization of the high-tech industry.

Xiamen has placed strong emphasis on giving guidance on where foreign investment should go with the aim of steering the concentrated development of high-tech

industries in the Xiamen SEZ. The city has shifted labour-intensive items and those of lower-level technology to neighbouring areas.

The introduction of foreign capital into Xiamen, according to Mayor Zou Erjun, had to conform with industrial policies employed by the city and developmental planning of the SEZ with the aim of encouraging the undertaking of large-scale industrial items, high-tech items and export-oriented agriculture. The absorption of foreign capital and the introduction of advanced technology as well as management experience should be integrated to upgrade production technology and management. It is projected that high-tech industry will play an increasingly important role in the building up of the Xiamen SEZ.

Jiangsu Learns From Shandong in Reform, Opening

OW1906065892 Nanjing XINHUA RIBAO in Chinese
11 Jun 92 p 1

[Unattributed report: "Further Develop Jiangsu by Learning From Shandong's Experiences—Shen Daren and His Party Sign Economic and Technical Cooperation Agreement With Shandong Before Winding Up Their Visit"]

[Text] A 38-member Jiangsu delegation led by Secretary Shen Daren of the provincial party committee returned to Nanjing yesterday after a 10-day study tour of Shandong. During the 10 days, members of the delegation visited the five cities of Qingdao, Weihai, Yantai, Zibo, and Jinan and the two counties of Changdao and Shouguang; they heard briefings by Secretary Jiang Chunyun of the Shandong Provincial CPC Committee and Governor Zhao Zhihao on the province's situation in reform, opening up to the outside world, and economic construction. They also signed an agreement on further strengthening economic and technical cooperation between the two provinces. Through study, investigation, and exchange of views, members of the delegation generally felt that they had been greatly educated, enlightened, and affected by the trip and that the trip was very rewarding.

In recent years, Shandong has vigorously and rapidly developed its economy, and its achievements have attracted people's attention. Its total annual output value of goods and services, its total annual income, and its total annual industrial and agricultural output value now rank second, first, and second in the country, respectively. Its other economic indicators have also repeatedly moved up. Shandong "ranked third in two sectors, second in five sectors, and first in seven sectors" last year. To learn from Shandong's useful experiences, members of the delegation traveled more than 2,800 km; visited development areas and science and technology parks; and toured highways, harbor facilities, and urban construction sites. They visited a number of large- and medium-sized enterprises as well as village and town enterprises with their own characteristics. They also

visited the country's largest vegetable market in the province and a delicious food street that had been built within 100 days. In addition, they also visited an island county of Shandong to study aquatic breeding. Wherever they went in Shandong, they felt the surging tide of reform and opening up and the hot wave of economic construction.

Through the study tour, members of the delegation felt that rapid and vigorous developments have been made in Shandong's reform, opening up to the outside world, and economic construction in recent years mainly because party committees and governments at various levels have unswervingly implemented the party's basic line of "one central task and two basic points"; always persisted in carrying out economic construction as the central task; and performed their work well according to the party central Committee's line, principles, and policies and their local conditions. Shandong has gained useful experiences in this regard, and the delegation was deeply impressed and enlightened by the following: Shandong has made great efforts to build basic industries and infrastructure. As a result, it has strong staying power in developing its economy. The province has concentrated large amounts of human, financial, and material resources on strengthening the construction of projects in energy, transportation, communications, and important raw materials. Members of the delegation particularly marveled at Shandong's boldness in making policy decisions ahead of time and in going after large-scale and high-quality projects and its practical spirit of taking flexible measures to raise funds and of racing against time to carry out such measures. With the stress on development areas, Shandong has promoted reform and opening up in its other areas. Its strategy has been to "comprehensively open up to the outside, make breakthroughs in important fields, and combine what is useful in the East and the West to accelerate development." Its concrete planning has been to have Qingdao and Yantai take the lead in bringing along other parts of the province in opening up to the outside world. The two development areas of Qingdao and Yantai have been built on a large scale, with high quality, and at top speed, and an investment environment with supportive facilities has basically taken shape in the two areas. At the same time, the province has accelerated the construction of seven new- and high-technology development areas. In those areas, the stress of work is being shifted from the building of infrastructure to the development and application of new and high technology. On the principle of suiting measures to local conditions and making full use of favorable conditions, Shandong has promptly readjusted its economic structure. The province has based itself on economic construction and guided itself with market demand in primary, secondary, and tertiary industries; in agriculture and industry; and in rural and urban areas. Proceeding from actual conditions, it has given priority to the readjustment of the economic structure. Take Changdao County, for instance: instead of "taking grain as the key link" and "going fishing only," people in the country have blazed a new path of

"developing fishery by expanding aquatic breeding and bringing prosperity to the country by developing fishery." They breed kelp, shellfish, and abalone, with income from a mu of sea water exceeding that from 10 mu of good farmland. The county will soon become prosperous. Paying close attention to market construction, Shandong has promoted the prosperity of its commodity economy by ensuring that the circulation of goods proceeds smoothly. Shouguang County has built a 50-mu vegetable wholesale market, where about 1 million kg of vegetables are sold and transported daily to over 20 provinces, municipalities, and autonomous regions in the country. It has become the country's largest vegetable market and a center of information exchange and price formation. By developing vegetables alone, the county's peasants have increased their income by 350 yuan each. This has also promoted the development of the tertiary industry. More than 70 vegetable companies and over 120 restaurants, hotels, and stores have been set up around the vegetable market. Shandong has also blazed a new path of "unified planning, rational arrangement, measures suited to local conditions, comprehensive development, and coordinated construction" in meeting the requirements for reform and opening up and in efficiently planning urban construction and building and managing cities. It has changed government functions while changing enterprise mechanisms. The province has streamlined administration and instituted decentralization at each level in order to accelerate the pace of reform and opening up to the outside world.

The most important of all these experiences is further emancipating the mind. During the delegation's tour, a mass discussion on the emancipation of the mind was being conducted throughout Shandong Province with a view to translating Comrade Deng Xiaoping's important talks and the guidelines of the party Central Committee Political Bureau into the practical action of the cadres and masses studying new situations and solving new problems. Precisely because people in Shandong have grasped the key link of emancipating the mind, they have been bold in removing various ideological barriers and concentrating their energies on the central task of economic construction; in striving for a high economic growth rate and setting new objectives one after another; in opening up to the outside world, relaxing policy restriction in the province, and instituting decentralization; and in supporting the creative spirit of cadres and the masses at the basic level to try things out in order to blaze a path of development with Shandong characteristics.

During the tour, the leaders of the two provinces held cordial talks. They held: With extensive contacts in the past, the two provinces can greatly complement each other in developing their economies and technology. In recent years, economic and technical cooperation between the two provinces has increasingly expanded. Now the two provinces have signed an agreement on strengthening such cooperation and exchange. The agreement points out: Shandong's advantage is that it is

a coastal province, and Jiangsu's advantage is that it is a riparian province. The two provinces should make full use of their favorable conditions and learn from the other's strong points to offset its own weaknesses. They should use the other's favorable conditions in technology and resources. They should cooperate with each other in industry, agriculture, economics, and trade at various levels, in various ways, and through various channels in order to promote a comprehensive development of their economies.

While stopping over in Xuzhou, the members of the delegation discussed and summed up their tour day and night. Comrade Shen Daren made an important speech on how to learn from Shandong's experiences. He said: Through this tour of Shandong, we have greatly broadened our horizons, learned useful experiences, discovered the gap between our province and Shandong, and strengthened our confidence. In learning from Shandong's experiences, we should do so according to the actual conditions of our various departments and further emancipate our minds. Emancipation of the mind is not abstract but practical. In learning from Shandong's experiences, we should find out the aspects in which we have yet to emancipate our minds sufficiently and the reasons for our failure to do so. In learning from Shandong's experiences, we should keep the actual conditions of various localities in mind and have a clear understanding of our priorities and of where we should make breakthroughs. At the same time, we should learn from Shandong's experiences in connection with our study of Guangdong's and other provinces' experiences. We should study them together in order to grasp all of them. While learning from Shandong's experiences, we should implement the "18 points" put forward by the provincial party committee and the provincial government. Through study, we should further improve the "18 points." We should combine other provinces' experiences with the realities of our province, emancipate our minds, and seek truth from facts. We should pay attention to mobilizing people ideologically and to doing practical work at the same time; we should have high enthusiasm and a strict scientific approach; with lofty aspirations and grand goals, we should carry out various tasks and measures in a down-to-earth manner.

Members of the delegation included Cao Hongming, deputy secretary of the provincial party committee; Gao Dezheng, member of the Standing Committee of the provincial party committee and vice governor of the province; Zhou Ze, vice chairman of the provincial advisory commission; Hu Fuming and Xu Zhonglin, members of the Standing Committee of the provincial party committee; and responsible comrades of some cities and provincial-level departments. Shandong Vice Governor Ma Shizhong accompanied the delegation during the entire tour.

Jiangsu's Nanjing To Lease Land-Use Rights

OW1806111492 Beijing XINHUA in English
0956 GMT 18 Jun 92

[Text] Nanjing, June 18 (XINHUA)—Nanjing City, the capital of east China's Jiangsu Province, announced today that it will lease the right of using a total of 850,000 sq m [square meters] of state-owned land to domestic and overseas investors for real estate business.

The eleven plots of land are all located in the downtown or nearby areas, with convenient communications and other facilities.

This is the first step taken by the city to promote the reform of land using system. The city will adopt open bidding for the lease of land-use rights. The valid term of land lease range from 40 to 50 years.

The city is planning to set up a sophisticated system of leasing land-use rights of all state-owned land in the territory.

Jiangxi Province Attracts More Funds From Taiwan

OW1906092192 Beijing XINHUA in English
0826 GMT 19 Jun 92

[Text] Beijing, June 19 (XINHUA)—Jiangxi Province in east China has approved 84 projects involving 38.73 million U.S. dollars from Taiwan during the first five months of this year.

In recent years the province has made efforts to improve the investment environment for overseas funds and strengthen ties with the Taiwan business people who benefit from preferential policies, and with the coastal provinces of Guangdong and Fujian.

During the first three months of this year investment from Taiwan was already equal to 67 percent of the total for 1991, according to the OVERSEAS EDITION of today's PEOPLE'S DAILY [RENMIN RIBAO].

The province's 11 prefectures and cities have Taiwan-funded enterprises mainly in the fields of bamboo article processing, paper making, electronic, chemical and machine-building industries. Investment from Taiwan has also expanded into some high-tech fields and more remote areas of the province.

Activities of Shandong's Jiang Chunyun Reported

Inspects Zibo City

SK1806065392 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 17 June 92

[Excerpts] On the evening of 16 June and the morning of 17 June, the party delegates participating in the Shandong provincial meeting of CPC delegates inspected the development of tertiary industry in Zibo City and respectively visited the Zhangdian food street, the

(Zhongcun) textile industrial world, the (Zichuan) clothing town, and the (Boshan) ceramics and colored glaze exhibition hall.

The Zhangdian food street was brilliantly illuminated in the evening. Many people streamed into the street. Together with the delegates, Jiang Chunyun, secretary of the provincial party committee, and Zhao Zhihao, deputy secretary of the provincial party committee and governor of the provincial government, zestfully walked along the street. They also stopped several times to talk with street peddlers and asked them about their business situation. [passage omitted]

Jiang Chunyun said: The province has great potential for developing tertiary industry as well as the economic conditions for hastening the development of this industry. We should firmly grasp this favorable opportunity, change our ideas, broaden our thinking, deepen reform, expand the scale of opening up, and speed up the development of tertiary industry. [passage omitted]

The delegates exchanged experiences on developing tertiary industry gained by various localities and spoke glowingly of the arrangements for further quickening the development of tertiary industry. They pledged that they would conscientiously study Zibo's experiences in developing tertiary industry and grasping the development of tertiary industry. They would also study past efforts in grasping industry and agriculture. They also pledged to adopt realistic and effective policy measures to make greater headway in the tertiary industry.

Chairs Meeting on Reform, Economy

SK1806131092 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 17 Jun 92

[Text] The Shandong Provincial CPC Committee held a meeting of provincial, city, and prefectural responsible persons in Zibo city on the afternoon of 17 June. The participants conscientiously studied Comrade Jiang Zemin's important speech delivered at the Central Party School and discussed and arranged the current reform, opening up, and economic work of the province. They emphasized the need to thoroughly understand and comprehensively implement Comrade Deng Xiaoping's important talks and further accelerate Shandong's reform, opening up, and economic development.

Comrade Jiang Chunyun, secretary of the provincial party committee, chaired and addressed the meeting.

The participating comrades held: Jiang Zemin's speech gave a profound exposition on ways to thoroughly understand the guidelines of Comrade Deng Xiaoping's important talks and carry out reform, opening up, and economic construction more rapidly and more successfully. By integrating theory with practice, it also provided answers to some current important issues. We should coordinate our study of Comrade Jiang Zemin's speech with the study and implementation of the guidelines of Comrade Deng Xiaoping's important talks;

persist in the viewpoint of practice, the viewpoint of development, and the dialectical materialist viewpoint to understand their essence; emancipate our minds; unify our thinking; and put what is in our mind into practice.

The participants discussed and arranged the current reform, opening up, and economic work of our province. They emphasized: Comrade Jiang Zemin recently said that the national economy should have an active developing speed, which should not be slow, still less be stagnant, and that we must never pay too much attention to stability and thus lose the opportunity and bind the developing steps. This guideline of Comrade Jiang Zemin's should be regarded as the general principle for leading persons at all levels to guide economic work at present and for a fairly long period to come and should be adhered to steadfastly.

The participants emphasized: There should be clear-cut major tasks in economic work. Namely, products of good quality that create high efficiency and sell well should be developed as quickly as possible when conditions permit; as many products of a high standing and high level as possible should be developed because low-quality products cannot find markets abroad; the domestic-oriented economy should be changed into an export-oriented economy to open up the world market for our products; new products should be developed; and large-scale business should be developed to achieve large-scale efficiency.

On the current economic work, the participants emphasized: Our determination to reap an overall bumper harvest the entire year should never waver. The current key work is to concentrate efforts on summer planting, harvesting, and field management and on antidrought and flood control work. In industrial production, we should achieve success in three tasks. First, we should make great efforts to open up the market. Second, we should persevere in the major projects which were put into operation last year or will be put into operation soon this year. Third, we should actively use foreign capital and import technology to accelerate the technical transformation of old enterprises. The tertiary industry is a weak link in Shandong's economy. We should regard it as a strategic task, pay close attention to it, exert conscientious efforts to develop it successfully, and strive to achieve significant improvement in one or two years.

On deepening reform, the participants emphasized: We should make persistent efforts to realize two transformations and one promotion. Enterprises' reform of the three systems should be expedited. Administrative units and institutions at all levels have had great enthusiasm for developing economic entities and the development trend is fairly good thanks to simplified administration, delegation of power to lower levels, and transformation of functions. Leading persons at all levels should pay attention to giving them correct guidance and have a good command of the following work. First, persistent efforts should be made to separate government function

from enterprise management. Second, efforts should be made to earn profits through service and take the road of small-size organization but large-scale service. Third, the purpose of streamlining organizations and personnel should be attained. Fourth, when developing economic entities, the road for deepening enterprise reform should be followed at the very beginning and the mechanism of competition and mechanism of encouragement should be fully embodied.

On opening wider to the outside world, the participants emphasized: Regarding geographical layout, we should adhere to the principle of making unified plans, rationalizing the layout, carrying out administration at different levels, and seeking realistic results. The province should strengthen guidance to the overall plan, and all cities and prefectures, while making the existing economic and technological development zones or high- and new-tech industrial development zones successful, should proceed from reality, develop their advantages, give priority to key projects, and concentrate efforts on them to establish their own characteristics. Regarding the development of large plots of land and real estate business, we should develop them in a planned and orderly manner according to the established priorities and should also relax control to eliminate monopoly and actively use domestic and foreign funds in development and construction. In export, we should further extend its degree, strive to ensure that the annual growth rate in foreign exchange earnings is not lower than the national average, and make sure that the annual foreign exchange earning quota of \$4.5 billion is fulfilled or overfulfilled.

Shandong Signs Development Deal With Hong Kong

SK1906063092 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 18 Jun 92

[Text] The economic development contract signing ceremony jointly held by Shandong Provincial Economic Development Investment Company, Hong Kong Hualu Co. Ltd., Hong Kong (Chuanglu) Group Holdings Co. Ltd., Yantai city government, and Weihai city government was held in Jinan on 18 June.

Li Chunting, deputy secretary of the provincial party committee and provincial vice governor, attended the signing ceremony.

The economic development items signed during this ceremony mainly included the joint development of a recreation park in Kongtong Island of Yantai City; the development of the tourist villa area in the eastern suburban area of Yantai City; the operation of the Asian Hotel on commission in Yantai; the joint development of Liugong Island in Weihai; the development of the high-technology industrial development zone on the western coast of Weihai; and the establishment of (Bando) commercial area in Weihai city proper.

(Huang Kehua), president of Shandong Provincial Economic Development Investment Company; (Zhang Zhaoming), president and general manager of Hong Kong

(Hualu) Co. Ltd.; Mr. (Xu Shengping), chairman of the board of Hong Kong (Chuanglu) Group Holdings Co. Ltd. and president of the company; and (Yang Xinjing), vice mayor of Yantai city, and (Shao Hengzhai), vice mayor of Weihai city, respectively signed the contracts at the ceremony.

Drought Affects Wheat Harvest in Shandong

SK1806070792 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 17 Jun 92

[Summary] As of 17 June, the province fulfilled the wheat harvest plan by 86 percent. Some 56 percent of the wheat was harvested with machines. Zaozhuang, Jinan, Linyi, Heze, Liaocheng, Dezhou, Jinan, Taian, and Rizhao have completed their wheat harvesting plans.

So far, localities have entered the key period of planting, harvesting, and field management. However, the development of harvesting, planting, and field management is very uneven. The localities generally reflected that it was difficult to continue planting and field management. The basic reason for this is drought. Since mid-May, the province has had no rainfall and the drought has continued. This not only affects the normal progress of summer sowing but also threatens the growth of seedlings. The situation whereby seedlings die due to drought has emerged in some localities. For instance, the drought left some 1 million mu of cotton unharvestable in Heze Prefecture. Therefore, all localities have made greatest efforts to ensure the normal progress of planting, harvesting, and field management.

JIEFANG RIBAO on Accelerating Development

OW1006035992 Shanghai JIEFANG RIBAO in Chinese
6 Jun 92 p 1

[Article by Ji Fangwen (0679 2455 2429): "On Accelerating the Pace of Development"]

[Text] The important talks made by Comrade Deng Xiaoping during his inspection tour of southern China has noticeably raised the issue of seizing the opportunity to accelerate the pace of development. Seizing the opportunity to accelerate the pace of development is new economic thinking put forward by Comrade Deng Xiaoping, and it is also a major issue vital to the success of our country's reform and opening up and to the triumph of our socialist cause.

At a time when a new upsurge of reform and opening up is appearing in our country, raising the issue of accelerating the pace of development is tantamount to accepting the challenge and the strategic option to change the economic structure which hampers the development of productive forces, to liberate and develop productive forces, and to strengthen the material foundation of socialism. To a large socialist country like China which has just begun to develop, the pace of development is a question of vital importance. Accelerating the pace of economic development is, in essence,

tantamount to deepening reform and opening wider to the outside world. We must not confuse the acceleration of development triggered by the liberation of productive forces as a result of reform with that of the past resulting from compulsory policies. The reform and opening to the outside world of the last decade and more has greatly weakened the foundation of achieving accelerated development through traditional means. The mechanism for economic growth is undergoing major changes: the power of market demand is growing stronger and stronger and is turning into a force which prevents the reliance on fiscal policy to accelerate the pace of development as in a centralized structure of planned economy; the new way of distributing the national income has made it impossible to accelerate the pace of development through forced revenue accumulation as we did in the past; and the variety and dispersion of investors has increased our choice of investment sources and our ability to exercise control. Thus, we do not have to worry too much about the danger that acceleration of the pace of development may trigger "great leap forward," "Western leap forward," and what not. The report on the accelerated development in Tianjin's Daqizhuang published in this newspaper today has demonstrated this point. The serial reports on the accelerated development in Shanghai's Qizhong village which we previously carried also illustrated this point.

If we profoundly, not superficially, and dialectically, not one-sidedly, study and understand Comrade Deng Xiaoping's talks made during his southern China tour, we would have no difficulty realizing that his brand new economic thinking of seizing the opportunity to accelerate the pace of development contains extremely rich substance. First, Comrade Xiaoping scientifically summed up the patterns of economic development common to many developing countries since World War II and pointed out that in the development process, they all had a period or periods of accelerated development. Japan, South Korea, and a number of countries and regions in Southeast Asia are cases in point. He emphatically pointed out: Now that our neighboring countries and areas are holding a lead over us in economic development, if we fail to catch up with them or if we advance at a slow pace, the public may have grievances when they make a comparison. Besides, it is possible for our country to accelerate the pace of development today. If the international environment is favorable, and if we bring into play the superiority of our socialist system to pool our efforts on major projects, it is possible that several stages of accelerated economic development with better results will appear in the long process of modernization. Second, Comrade Xiaoping stressed conditions when he raised the issue of accelerating the pace of development. He said that we must not stop those localities which can develop from doing so, and that localities where conditions are ripe should be allowed to develop faster. He specifically cited as examples the relatively better developed regions such as Guangdong, Jiangsu, and Shanghai, saying these regions completely

possess conditions for quicker development. Those mentioned here refer to such conditions as funds, technology, market, and qualified personnel which are requisites for economic development. Obviously this is completely different from the past practice of blindly and quickly embarking on projects regardless of whether or not we possessed the right conditions, nor is it the same as the speed resulting from subjective idealism of "if it can be done here, it can definitely be done there." Third, the ideology of accelerating development put forward by Comrade Xiaoping is to be realized in the process of strengthening reform and openness. It talks about quality, efficiency, and the development of an export oriented economy. We need not have to worry about it. He cited as an example the years from 1984 to 1988, a period of relatively faster economic development, saying the accelerated growth of these five years can be billed as a kind of leap. The growth has brought many changes to our country. This explains why the economy of a large developing country like ours should develop at a faster, rather than a slower and more steady, pace. We should pay attention to economic stability and coordinated development—which are relative and not absolute to each other. The only solid principle is to develop. We must be bolder in implementing measures in reform and opening up to the outside world. We must dare to experiment and must not walk like a woman with bound feet. Once we have selected our projects, we must be bold to experiment and venture. Fourth, the ideology put forward by Comrade Xiaoping of accelerating development stresses the reliance on science and technology and education, as well as the acceleration of development through science and technology. It is different from the past practice of blindly enlarging the scale of capital construction and involving extensive operations.

In short, we have already amassed over 10 years of practical experience in reform and opening up to the outside world and in the acceleration of development. Our capability in macroeconomic regulation and control will definitely be enhanced and perfected continuously with deepened reform. Therefore, we need not have to worry that this will lead to a repetition of the mistakes of "the Great Leap."

How should we now specifically carry out Comrade Deng Xiaoping's thinking for accelerating China's economic development? What are the priority tasks on which we should concentrate?

First, we must accelerate the pace of reform and opening up to the outside world. This is the essence of the speeches made by Comrade Xiaoping during his inspection tour of the south. Revolution is carried out to emancipate the productive forces; reform is also carried out to emancipate the productive forces. To accelerate the development of the productive forces, we must first accelerate the pace of reform and opening up to the outside world. It is generally recognized now that China's economy developed most rapidly and the Chinese people received the most benefits in the past 10 years or so since the Third Plenary Session of the 11th

CPC Central Committee, especially during the period from 1979 to 1988. During the past nine years, our country's GNP rose at an average of 9.5 percent a year, creating a miracle in the history of the world's economic development since the war, a miracle brought about by reform and opening up to the outside world. From 1979 to 1983, rural reform, marked by the contract responsibility system with remuneration linked to output, brought about a drastic readjustment of the production structure and labor structure in the rural areas, stimulating the rapid development of village and township enterprises and setting off the first round of accelerated economic growth in China in the early 1980's. After 1984, the focus of reform was shifted from the countryside to the urban areas, and the focus of opening up to the outside world expanded from the rural areas to the 14 open coastal cities. This greatly enhanced the production enthusiasm of urban workers and staff members, and their income and consumption level rose rapidly, leading to the second round of accelerated economic growth in China from 1984 to 1988. These achievements show that the acceleration of reform and opening up to the outside world is the cause and that the rapid economic growth is the result. This can also be proved by the higher economic growth rate of the coastal cities in the special economic zones compared to other coastal cities and hinterland cities. If we are to accelerate the pace of economic development in the 1990's, we should still start by accelerating the pace of reform and opening up to the outside world.

Second, we must accelerate the pace of readjusting the economic structure. Why did the high economic growth spurred by reform and opening up in the 1980's not result in the same disastrous results that followed the "Great Leap Forward" and the "leap to learn foreign things?" An important factor is that high growth was accompanied by structural readjustment in industry. According to statistics, between 1952 and 1978, the annual total output value of Chinese society grew an average of 7.9 percent, with the top and bottom deviations being plus 24.8 and minus 41.1 percent respectively; whereas between 1979 and 1988 the average annual growth was 11.3 percent, with plus 6.5 and minus 5.6 percent top and bottom deviations. The relatively high growth rate and small deviations in the latter have been caused by the shift in the industrial structure to meeting the ultimate demands of consumers since the introduction of reform and opening up. The fast speed achieved in 1958 as a result of the self-circulating structure of heavy industry under the policy of "taking steel as the key link" is definitely a disproportionately high growth rate. However, the strengthening of ties among industries today has greatly reduced the possibility of serious disproportions caused by a relatively fast growth rate. Despite this reduced possibility, further structural readjustment is still a major task in a new round of endeavors designed to accelerate growth. In order to avoid redundant production in the processing industry and overstocking of products, we must free ourselves from the outdated thinking of competing for projects in

the processing industry and must accelerate development of the tertiary industry. At present, the tertiary industry constitutes only 27 percent of China's gross national product [GNP], and 31 percent of Shanghai's. However, in developed countries, tertiary industry contributes to more than 60 percent of GNP. The development of tertiary industry requires a small investment but can turn out great output and provide jobs to a large number of people; moreover, there is great potential for consumer demands for tertiary industry. Therefore, faster development of tertiary industry will not trigger problems related to an "overheated" economy. The heartening news report about "commercial enterprises merging with industrial enterprises" recently in Beijing reflects the general trend for accelerating development of China's tertiary industry. We should vigorously advocate and publicize such cross-industrial structural readjustment, as well as closing, suspension, and merging of enterprises and the shifting of their lines of production in the course of deepening reform.

Third, we must accelerate the pace of raising economic efficiency in enterprises. Really fast growth must be accompanied by high efficiency. At present, state enterprises are plagued by serious problems of poor efficiency. This is a longstanding and deep-rooted issue. As state enterprises are still devoid of the necessary managerial authority and constraint mechanisms and cannot freely transfer and combine production elements, new measures for improving enterprise performance can hardly produce any desired results within a short time. Even with this being the case, we still cannot return to the path of reproduction on an extended scale. Stressing output value while neglecting efficiency and stockpiling excessive products in warehouses are in fact manifestations of formalism in economic work. To find an effective cure for this malady, we must thoroughly comprehend the Marxist dialectics of Comrade Xiaoping's speeches made during his tour of the south. We must take bolder and faster steps in blazing a trail for developing a fast-growing and highly efficient economy primarily through making reforms, opening up to the outside world, readjusting structure, and improving performance.

Fourth, we must accelerate the pace of scientific and technological progress. Recently people nationwide have shown keen interest in reports about scientists and technicians in Zhuhai and other places being presented with handsome rewards. This generally reflects a growing awareness among people that "science and technology constitute the primary productive force." The rapid growth of China's economy in the 1980's was realized mainly by relying on the policy as well as science and technology. Acceleration of development in the 1990's will rely mainly on science and technology, in addition to the policy. We must energetically develop high and new technology, which is unique in its high added value and market potential. An ordinary machine tool used to be sold for between 10,000 and 20,000 yuan, but the price of a numerically controlled machine tool of

the same type today has increased more than 10 times. The per capita value of sales of enterprises manufacturing traditional electrical and machinery products is only several thousand yuan, but that of the Shanghai Bell Telephone Company has reached 500,000 yuan. This is why Comrade Xiaoping repeatedly emphasized, in his speeches during his tour of the south, the importance of science and technology and education for accelerating economic development. In view of Shanghai's powerful contingent of scientific and technical personnel, we should pay even greater attention to speeding up scientific and technological progress.

After clarifying the reasons and ways for accelerating development, we can understand more precisely Comrade Xiaoping's call for "striving to develop the Chinese economy to a new stage once every several years." This means that we should seize a good opportunity to make a leap and, after stabilizing the economy for a period of time, repeat the leap again. Through such a cycle, we should be able to usher our economy into a stage of fast development, thereby strengthening our comprehensive national strength and further improving the people's material and cultural living standards. Such a course of accelerating development is different from the "incremental course" of taking "small steps continuously" and from the "roller coaster course" of making quick ups and downs, such as the "Great Leap Forward" and the "leap to learn foreign things." At present, with the necessary internal conditions and a favorable international environment, it is imperative and entirely possible to strive to take several steps toward faster growth and better efficiency and usher in a new stage of economic development in China. We must foster such lofty aspirations.

Shanghai Adopts Measures on Private Business

OW1806130692 Shanghai JIEFANG RIBAO in Chinese
14 Jun 92 p 1

[Article by Xiang Mingsheng (0686 2494 3932) and Shen Zhongxin (3088 0112 9515): "The Municipal Industrial and Commercial Administrative Bureau Holds Meeting To Announce 14 Measures Lifting Control Over the Individual and Private Sector of the Economy"]

[Text] Zhu Chongbin, director of the municipal Industrial and Commercial Administrative Bureau, yesterday announced 14 policy measures aimed at lifting control over the individual and private economic sector in an effort to intensify reform and vigorously promote the development of that sector. Under the measures, all surplus personnel of enterprises and idle personnel in society will be able to engage in individual and private businesses with prior approval. They will be able to engage in wholesale business, and set up joint and cooperative ventures with foreign firms. All "local policies" which hamper the development of the individual and private sector of the economy will be abolished without exception in order to make way for Shanghai's individual and private economic sector to begin a new stage of development.

Currently, Shanghai has 110,000 individual businesses employing over 160,000 people and 2,533 private enterprises employing over 40,000 people. Together they account for 1.5 percent of Shanghai's population. In comparison, the national average is 2 percent while the average in the developed areas is 3 percent. Shanghai's individual economic sector lags behind that of Guangzhou, Shenyang, and Ningbo. Shanghai currently has more than 13,000 state and collective enterprises with the amount of registered capital totaling 120 billion yuan. In contrast, the individual and private economic sector has only 0.43 billion yuan of registered capital, or 0.3 percent of that of state and collective enterprises. Vigorously developing the individual sector of the economy, therefore, will not shake the foundation of the publicly-owned economy.

In light of this, the municipal Industrial and Commercial Administrative Bureau held a meeting on the work of the individual and private economic sector. The meeting initially decided on the following 14 policy measures: 1) All surplus personnel of public enterprises in the municipality that have optimized the labor structure may apply for permission to engage in individual business, set up private enterprises, or work for private enterprises. 2) A worker of an enterprise who is laid off or on leave without pay and who owns business premises or is provided with one by the district or county may apply to the enterprise whom they had worked for for a temporary business license. A worker who has no business premises may apply for permission to become an aide to an individual business or to work for a private enterprise. 3) A veteran educated youth who has returned to Shanghai from Xinjiang and who maintains no residence in Shanghai may also apply for a temporary business license after filing for temporary residence with the approval of his or her neighborhood office. 4) An individual who meets the requirements may apply for permission to engage in individual and private business in other provinces or cities. A certificate for business outside the municipality may be issued to the individual, provided that other provinces or cities grant permission for him to do business there. An individual industrial or commercial business operator with a business license who is unable to do business independently for various reasons after coming to Shanghai from another province or city may file for temporary residence and register as an employee of Shanghai's individual industrial and commercial business or private enterprise. 5) Private enterprises shall engage primarily in production, science and technology, and export activities. However, with the exception of bars, dance halls, electronic games, and trades specifically banned by the state, private enterprises are allowed to register to operate any other type of tertiary industry, provided they meet the requirements. 6) Registration for operating restaurants and other catering services requires possession of premises, exhaust fan equipment, and sanitation facilities to reduce inconveniences to neighborhood residents. Registration for operating small oil mills in rural areas requires that the oil mills be distributed rationally

without over-concentration. 7) When an individual business or a private enterprise engaged in science and technology research has certain research results outside its business field which need to be further developed, put into production, and marketed, it may do so with the approval of the office with which it has registered; the individual business or private enterprise doing so will not be regarded and dealt with as one which engages itself in activities outside its approved field. 8) Where conditions permit, an individual industrial and commercial business or private enterprise may engage in activities of different trades, and it may engage in its principle trade while concurrently operating other trades. It may not, however, engage in activities related to the principal means of production, rolled steel, and automobiles. 9) An individual industrial and commercial business operator may apply for permission to engage in the operation and long-distance shipment and marketing of agricultural and sideline products, including grain, meat products, eggs, and aquatic products, control over which has been lifted by the state. 10) An individual industrial and commercial business operator, after obtaining the status of a legal person, may engage in wholesale business of small commodities over which control has been lifted. 11) Private enterprises with legal person status may set up joint and cooperative enterprises with foreign firms, and may engage in processing and assembling with materials and specifications provided by foreign firms. 12) Private enterprises with the necessary conditions may develop joint operations with state and collective enterprises. 13) Districts and counties shall open new areas for the operation of individual businesses. 14) With the exception of the state and municipal government regulations governing the registration, issuance of business license, and management of individual industrial and commercial businesses and private enterprises, all "local policies" shall be abolished without exception.

'Feature' Discusses Shanghai Housing Reform

OW1706102992 Beijing XINHUA Domestic Service
in Chinese 2102 GMT 15 Jun 92

["Feature" by XINHUA reporter Ji Jincheng (1323 6651 2052): "The Practice of Reform by Millions of People—One Year of Housing Reform in Shanghai"]

[Text] Shanghai, 16 Jun (XINHUA)—Shanghai has implemented its housing reform for one year.

Millions of people in this metropolis, which faces the most acute housing problem in the country, have experienced a quiet year since they began the quick march in May last year. It was also a year that saw significant changes in the housing concepts of thousands upon thousands of people.

1.

Not only said but done. Shanghai's housing reform is commendable in that they have put their words into action and dared to set out.

Housing reform is difficult, really difficult. It is difficult because every urban worker has had to part with free or low-rent housing, a benefit they had enjoyed for decades, and begin a transition to commercialized housing. It is difficult because we need a new housing system that meets the different housing requirements and needs of different social strata, and that is tailored to the quick march of millions of people.

Shanghai had been talking about housing reform for at least a decade, since the 1980's. Because of various difficulties, coupled with the decrease in local financial revenues that caused a scale-down of housing development, housing problems had once again intensified. The number of families with an average living space below 4 square meters per head still stood at over 300,000, with 30,000 of them having less than 2.5 square meters. In view of the results of the four-decade implementation of the public housing system, need we let families with housing difficulties wait for another 40 years? Facts have proven that there would be no way out in the absence of reform.

Shanghai's housing reform was once again placed on the agenda. Municipal leaders went deep into the impoverished neighborhoods, residential areas, and among shack-dwelling families to find out about the housing situation and listen to the voice of the masses. Zhu Rongji, the then mayor, spoke about housing reform at every meeting, making a loud call based on what he saw with his own eyes: If the housing problems remain unsolved, we will feel guilty in front of the masses of people! Without reforming the housing system, we will not be able to solve Shanghai's housing problems.

The broad masses of people thoroughly changed their housing concepts and the housing reform program was significantly revised during a two-month general discussion on housing reform by residents. The program became the program of millions of people; housing reform became the action of thousands upon thousands of people.

Since the implementation of housing reform in Shanghai city in May last year, public order has been good and the people have been leading a peaceful life. Last December, the urban housing reform was also launched in the suburban counties of Shanghai. So far, except for a small number of enterprises suffering from heavy losses and some foreign-invested enterprises with a unique situation, 4.55 million workers from 26,000 units, or 95 percent of all Shanghai workers, have participated in housing reform.

Formulated in the light of Shanghai's specific situation, in the inception stage the housing reform program reflected the principle of "joint contributions by the state, collectives, and individuals." Shanghai was the first among the country's big cities and metropolises to put forward and implement a program that is supported and accepted by millions of people, thus making a great contribution to housing reform nationwide.

2.

The housing concept of the Shanghai people is changing. Fu Yunzhang is an example.

Fu Yunzhang, 42, is a technician with the No. 7 Construction Company of Shanghai. His family of seven, including his mother and younger brother, shared 18 square meters of living space; this, coupled with other factors such as the one-child policy, gave them an average living space of 2.5 square meters per head. Although he was supposed to be allotted a dwelling unit and to have his housing problem solved this year, under the municipal government's decision on helping families with acute housing problems, he chose to buy his own dwelling unit.

Fu Yunzhang said that buying a dwelling unit is equivalent to getting a multi-step pay raise, as a dwelling unit is the most valuable family commodity. It is a no-risk investment that will bring more returns than stocks because of the rapidly rising real estate property prices brought about by the development of the real estate industry in Shanghai.

As the head of a family with acute housing problems, he was eligible to buy 46 square meters of dwelling space at a preferential rate of 250 yuan per square meter and an additional 10 square meters at a cost of 750 yuan per square meter. The dwelling unit cost a total of nearly 20,000 yuan.

He chose to raise a 14,000-yuan mortgage on his dwelling unit from the bank after paying 6,000 yuan in cash. During the 10-year mortgage term, he has to make monthly payment of 161.4 yuan in loan repayment and interest. Although the monthly payment accounts for one-third of the total income of his family, he would not be excessively burdened. Aside from having a total public accumulated housing fund of more than 50 yuan a month, his family will see an income growth along with the economic development, thereby reducing the proportion of the payment to only one-fourth or one-fifth of their total income a few years later.

Being one of the first four persons to raise mortgages from the bank, he became a newsmaker overnight. After learning of his calculations, many people realized that buying a dwelling unit is not a bad idea.

The Shanghai Material Research Institute recently built 100 dwelling units. It got a very good response after it launched a house buyers' registration based on the method of assigning the units after they were sold. The house buyers included leading cadres and senior engineers of the institute, as well as ordinary workers. Some of them made an outright payment on the dwelling units; others paid by installments over a 10 or 15-year period. These buyers believe that as housing commercialization is a definite trend, it is better to buy their units now than later so that they could benefit from various preferential policies.

Work related to the sale of dwelling units to workers has begun in Shanghai. Not only are new units being sold to workers, but the sale of used units to present occupants is set to begin soon as related detailed rules and regulations have been drawn up by the housing administration department of Shanghai.

3.

Could housing reform solve housing difficulties? Could it improve the housing conditions of the broad masses of the people? Could it channel housing funds into a virtuous circle?

Shanghai has made substantial achievements during one year of housing reform.

An important element of Shanghai's housing reform is the implementation of a system of public accumulated housing fund. As the first step, workers and their work units each contributed an amount equal to 5 percent of the workers' wages to the public accumulated fund every month, creating a reserve of more than 600 million yuan over the past year. The housing reform department plans to use 800 million yuan of public accumulated fund to build 1.5 million square meters of housing space. Although this amount is not even one-third of the total needed for housing construction this year, it is still an encouraging step. Shanghai has for the first time established a special housing fund and opened up a statutory channel for raising housing funds. It has broken a new path through which the public accumulated fund will continually grow along with the economic development and deepening of housing reform to satisfy the need of housing construction. By making contributions to the public accumulated fund, the workers continually build up funds for solving their own housing problems while their work units gradually free themselves from the heavy burden of housing construction and leave the social problem of housing to society.

The masses who face acute housing problems are the staunchest supporters of housing reform, as they are greatly dissatisfied with the unfair assignment of public housing and are demanding swift improvement of their housing conditions. It is exactly because of this request that Shanghai's housing reform program has included solutions for their problems and set forward a timetable.

This year, Shanghai housing reform departments have appropriated 250 million yuan from housing reform funds to help units and individuals build and buy houses. Not long ago, a number of houses which were offered at cost price to people who live in extremely poor housing conditions were immediately sold. One of the buyers stated: My unit is not only small but also poor; it has not built or distributed a single house in the last decade. Our hope for improving housing conditions lies in carrying out housing reform through raising house rents, commercializing houses, and pooling money to build houses.

Last year, the municipality helped solve housing problems for 10,000 households with particularly poor housing conditions. It is expected that the municipality will help solve housing problems for 20,000 households this year. This means it will be a year ahead of schedule in realizing the housing relief plan as envisaged by the housing reform program.

Shanghai's housing management departments have been subject to intense pressure from citizens over housing reform.

In the past, the following conversation was often heard between housing management cadres and citizens. "You have collected the rent; but why didn't you repair the house?" "Your rent for one year is not enough to even pay one month's salary for a repair worker; the more we repair, the more we lose; we have no money for repair."

Prior to carrying out the housing reform, Mayor Zhu Rongji stated that the municipal government would not take a fen out of the revenues generated from raising house rents. All money would go to housing reform departments. The only condition on housing reform departments was that they must repair and manage houses well, and they must not use excuses such as "we don't have money to repair houses" to cope with citizens' demands. Shanghai's housing management departments carried out a massive housing repair drive in the first year of housing reform. By overfulfilling the housing repair plan in renovating more than 754,000 sq m of floor space, they greatly helped accelerate the pace of renovating ramshackle houses.

The first step in reform of the housing system in Shanghai has been smoothly advanced. Through the first step of reform, the municipality intended to achieve the goal of changing people's traditional concept of relying on the state to build houses for them and of making the staff members and workers in the municipality contribute more to improving their housing conditions. In a sense, the municipality has realized that goal, and the initial housing reform has produced fruitful results.

There is a saying: "The most important thing about embarking on an undertaking is making the first step." The housing reform in Shanghai, China's largest city, has proved this truism: People's initiative can be mobilized if reform, particularly reform that involves the personal interests of the people, is understood and supported by them, and people's initiative will help promote the reform, increase the prospects for the success of reform, and realize the final objective of reform.

Central-South Region

Guangdong Sets Up Development Area for Taiwanese
OW1906081592 Beijing XINHUA in English
0753 GMT 19 Jun 92

[Text] Shantou, June 19 (XINHUA)—Nanau County, the only island county of Guangdong Province on the

South China Sea, set up an investment district and trade district for Taiwanese businessmen.

In the past, the Nanau Islands were listed as one of the military areas in the country which prohibited ordinary people from arriving on the island.

Incomplete statistics show that there are more than 100,000 people in Taiwan who were from Nanau County.

In 1988, the islands were enlisted as one of the economic development areas in Guangdong Province.

Since then, large groups of Taiwanese came to visit the islands and many fishing ships came to the islands to evade typhoons.

Now the county has set up a Taiwanese-funded development district in the southern suburb of the county seat with several parks for development of electronics, food-stuffs, medicines, fine metals, machinery, ship building, light and textile industries and the plastic industry.

The county also set up a trade area for Taiwanese businessmen at Yiandun Bay of the island and a trade center at its Yunau Port.

More than 120 Taiwanese businessmen came to the island for investment and the contractual funds amounted to 35 million U.S. dollars.

About 30 Taiwanese businessmen were interested in the real estate business on the island and they have signed contracts to develop one square kilometer of land with a total investment of more than 200 million yuan.

The county is made up of 23 islands and the main island is 106 square kilometers and is on the way of international navigation passages.

It is now making efforts to improve its investment environment and the county government is formulating preferential policies to invite more Taiwanese businessmen to invest in the islands.

Guangzhou Free Trade Zone To Improve Investments
HK1406050792 Beijing CHINA DAILY (BUSINESS
WEEKLY SUPPLEMENT) in English 14 Jun 92 p 2

[By Zheng Caixiong: "Free Trade Zone To Open in Guangzhou"]

[Text] Guangzhou—A new free trade zone is expected to open late this year in Guangzhou, capital of Guangdong Province.

The Guangzhou Free Trade Zone, in the city's Economic and Technology Development Zone in the eastern district of Huangpu, covers 1.4 square kilometres.

The zone was approved by the State Council last month.

The Preparatory Committee for the zone has been established to help speed construction and boost management of customs, foreign currencies, industry and commerce.

Regulations guiding the operation of the zone have been drafted and are expected to be released next month.

The zone will develop industries including transit trade, export-oriented processing, packaging, transport and product exhibitions.

The establishment of the zone is expected to improve the city's investment environment and attract more overseas investors.

A free trade zone is a park where investors are exempt from import and export duties, production taxes and industrial consolidated taxes if their products are sold outside the country.

Investors are permitted to establish trade firms, warehouses and export production enterprises within the zone, enclosed by fences.

Shanghai, Tianjin and Shenzhen already have approved the establishment of free trade zones.

Jinpan in Hainan Province, Xiamen in Fujian Province, Yantai in Shandong Province, Shantou and Zhuhai in Guangdong Province, and Ningbo in Zhejiang Province have either applied to central government for approval to establish free trade zones or have been carrying out feasibility studies.

According to Zhao Heping, an official from the Guangzhou Economic and Technology Development Zone, economic and technology development turned out 85.2 million yuan (\$15.6 million) of output valued by the end of last month, 12.75 percent more than the same period last year.

Export value reached \$72.8 million during the January-May period.

In the first five months this year, the development zone signed 356 contracts worth of 38.25 million yuan (over \$7 million), up 87.5 percent on the same period of last year.

Zhao said Guangzhou Economic and Technology Development Zone has so far approved 431 projects from 16 countries and regions including 171 from Hong Kong and 12 from the United States.

Some 147 joint ventures and solely foreign-funded firms have started production or had trial operation in the zone.

Guangdong Launches Campaign Against Prostitution

HK1806093492 Hong Kong TA KUNG PAO in Chinese 17 Jun 92 p 4

["Special dispatch" from Guangzhou by staff reporter Huang Shao-li (7806 1421 4539): "Guangdong Vigorously Strikes at Prostitution and Those Patronizing Prostitutes"]

[Text] Guangzhou, 16 Jun (TA KUNG PAO)—Opening up to the outside world has made Guangdong prosperous, but this affluent place has also bred many "flies." The senior leaders in Guangdong have repeatedly stressed that Guangdong will not give up eating for fear of choking, nor will it close the opened doors; however, they will also not be lenient in exterminating the "flies" such as drug trafficking, prostitution, and the patronizing of prostitutes.

A County Cadre Has Been Handled

Guangdong has launched a mammoth province-wide campaign to wipe out the "seven vices," and the crack-down on prostitution and use of prostitutes is in full flood.

Recently, the newspapers, radio stations, and television stations in the province have vigorously publicized and reported on the efforts to wipe out prostitution and the patronizing of prostitutes. Television stations have had newscasts showing public security personnel swiftly closing down many prostitution dens. Among those caught patronizing prostitutes, some were well-dressed, some were young men, and some were middle-aged or old men with round bellies, and they included locals, men from other provinces, and playboys from outside the borders. Guangdong Television Station showed a special program which said that among those who used prostitutes, some were state cadres. An informed person who preferred to remain anonymous told this reporter that a senior county official in the province has been handled for patronizing prostitutes.

Prostitutes Come From Hunan and Guangxi

The phenomenon of prostitution and patronizing of prostitutes has spread in Guangdong, and brought about serious social problems.

The prostitutes arrested come mainly from the economically backward provinces such as Guangxi, Hunan, and Jiangxi, and from the coastal provinces and cities such as Shanghai, Zhejiang, and Jiangsu. A young woman from outside the province told a television reporter that she was caught after entertaining only some 30 customers in Guangzhou, and that there were many women who suffered the same fate. In recent years, Guangdong Women's Education Center has accommodated more than 4,000 such "red-light" girls.

In recent years, the outpatient venereal disease departments in some big hospitals in Guangzhou have seen an

increasing number of men and women coming for treatment. In addition, the drug stores in the city disclosed that in recent years, medicines for treating sexual diseases such as gonorrhea have been very salable, and this indicates that many sufferers have tried to hide their pain and avoided going to hospitals for treatment, preferring to buy medicines to cure themselves. The patients who have families are liable to pass on the disease to their spouses, and endanger their children.

In addition, the mass media in the city have recently reported on some high school kids writing to the department concerned to urge society to rescue their fathers, because "when father visits prostitutes away from home, he ignores mother more."

A person in charge of the women's federation in the province said on television that some local women told her that they used to worship gods and Buddha and asked them to allow their husbands to earn more money from their businesses, but now, they ask their gods to let their husbands earn less, for fear that when their husbands have more money, they will visit prostitutes.

Mass Media Within and Without the Province Carry Reports

Chen Shaoji, chief of Guangdong Public Security Bureau, told this reporter when explaining the reasons for the rampant prostitution and use of prostitutes in the province that since 1979, when the province discovered prostitution activities, active measures have been taken to resolutely ban those activities and great results have been scored. However, because the province is at the forefront of opening up to the outside world, while the supporting measures such as prohibition, management, education, and reform have not been promptly launched, the situation of prostitution and use of prostitutes in the province is still serious. [sentence as published]

He said that to reduce this ugly phenomenon to the minimum, fraternal provinces and cities must give active support and coordination, and at the same time, various sectors of society should join hands to cooperate for a comprehensive rectification.

It seems that the mass media in the province and the country have made efforts to support this mammoth campaign against prostitution and patronizing prostitutes in Guangdong. Not only have the several television stations, big and small newspapers, and radio stations in the province kept reporting on the campaign in the past two months, but fact-finding teams from XINHUA, RENMIN RIBAO, the Central People's Broadcasting Station, RENMIN GONGAN BAO, and FAZHI RIBAO went to Guangzhou, Shenzhen, Zhuhai, Foshan, and Dongguan recently to cover the news on the spot, and sent a message to the entire country that Guangdong is cracking down on prostitution and the use of prostitutes.

Taiwan Foundation Delegation Visits Shenzhen

OW1506142292 Beijing XINHUA in English
1410 GMT 15 Jun 92

[Text] Guangzhou, June 15 (XINHUA)—A seven-member delegation of Taiwan's Foundation for Exchanges Across the Taiwan Straits arrived in the Shenzhen Special Economic Zone (SEZ) at noon today.

Li Guangzhen, deputy mayor of the city, met all the members of the delegation headed by Shih Chi-ping, deputy secretary-general of the foundation, this afternoon and introduced to them the great achievements Shenzhen has made in the past 11 years. He also explained Shenzhen's ongoing 10-year program and plans for opening wider to the outside world.

During their 10-day stay in Guangdong Province, the delegation will also visit the cities of Dongguan, Guangzhou, Foshan, Zhongshan and Zhuhai in the Pearl River delta area.

Guangxi Editorial on Old Revolutionary Areas

HK1906003292 Nanning GUANGXI RIBAO in Chinese
4 May 92 p 1

[Editorial: "Pushing Work of Supporting Impoverished to a New Stage—Written for Comrade Bo Yibo's Inscription To Encourage Guangxi Press Circles To Propagate Old Revolutionary Areas"]

[Text] On 12 April 1992, Bo Yibo, vice chairman of the CPC Central Advisory Commission, wrote the following inscription to encourage Guangxi press circles to propagate Zuo Jiang and You Jiang old revolutionary areas: "It is the responsibility of the entire society to support and rejuvenate old revolutionary areas." This inscription shows our revered Comrade Bo's warm support for the press circles of Guangxi, as well as his cordial concern for Guangxi's work of assisting the impoverished. We should act in line with the spirit of our revered Comrade Bo's inscription; sum up experience gained in covering old revolutionary areas; devote major efforts to propagating typical cases and studying policies guiding the work of assisting the impoverished; and make a continued success of rendering special reports on the development of old revolutionary areas. Through covering old revolutionary areas, we can create a strong public opinion in society, thus enabling the entire society to acquire a better understanding of and to support old revolutionary areas, contribute to the rejuvenation of these areas, and push to a new stage both old revolutionary areas and Guangxi's work of assisting the impoverished.

As is known to all, Zuo and You Jiang old revolutionary areas are among China's rural revolutionary bases founded by Deng Xiaoping and other proletarian revolutionaries of the older generation. During the protracted years of revolutionary war, basing itself in the old revolutionary areas, the party led the people of the whole country to defeat the enemy and then founded the PRC.

It can be said that without the old revolutionary areas, today's life would not have been realized. Since the founding of New China, with the major support of the state, the old revolutionary areas have undergone great development in the economic field as well as in all construction sectors. However, restricted by various factors, the old revolutionary areas are still backward economically and the people there still lead a relatively poor life. In 1991, the total number of people living below the poverty line in Zuo and You Jiang old revolutionary areas still exceeded 3.5 million, accounting for 53.7 and 58.7 percent of the total population of the old revolutionary areas and the whole autonomous region respectively. At present, in particular, advanced areas are undergoing development at a much faster pace than that of old revolutionary areas, and the gap between the two is further widening. This is a grim problem which requires us to speed up the construction pace of old revolutionary areas all the more, and bring their economic development level closer to that of advanced areas. Under such circumstances, it is of immediate and far-reaching significance that our revered Comrade Bo pointed out in his inscription that supporting and rejuvenating old revolutionary areas is the responsibility of the entire society.

Our revered Comrade Bo's inscription has raised the subject of rendering good service to the development and construction of old revolutionary areas within a larger scope. Assisting old revolutionary areas to get rid of poverty is the work not only of relevant departments, but of the entire party and society as well. Experience gained in the past many years has proved that assistance to and development of old revolutionary areas and poor areas should be carried out in a comprehensive way. Departments in charge of economic work shoulder a heavy responsibility, while other departments also have much work which can and should be accomplished. State administrative institutions, all trades and professions, and all social circles should organize forces to take part in the work of assisting the impoverished. All those with the conditions should make regular contacts with and help old revolutionary areas at selected points, thus making due contributions to these areas. A number of units in Guangxi have done a great deal of work and scored great achievements in assisting old revolutionary areas. In their efforts to help old revolutionary areas extricate themselves from poverty and get rich, they propagate the party's policies on assisting the impoverished, bring along with them the concern of the party and state for the people of old revolutionary areas, and act as advisers and assistants to local governments. We need to sum up experience and persistently carry out the work of assisting impoverished areas by establishing close ties with them. Such a practice is beneficial to extricating old revolutionary areas from poverty and helping them get rich; to tightening ties between state administrative institutions and grass-roots units and between the party and the masses; to reinforcing the building of state administrative institutions; and to fostering and enhancing the quality of our cadres. Therefore, all

departments are required to list the work of assisting the impoverished in their work plans, regard the work as their duty, and place the work on their agendas.

The impoverished areas in Guangxi still remain quite large today and the task of assisting the poor is extremely arduous. The impoverished areas include not only old revolutionary areas but also rocky mountain areas, border areas, and areas inundated by reservoirs where natural conditions are extremely harsh. The basic production and living conditions of the masses of people in these areas are very low and it is rather difficult for them to get rid of poverty. Even for areas which have initially solved the problem of having insufficient food and clothing, the standards are low and unstable, and poverty will easily return when natural calamities hit the areas. Therefore, we should fully understand the arduousness, urgency, and protracted nature of the work to assist the poor, and make a success of supporting and developing these impoverished areas while doing a good job in assisting the poor in old revolutionary areas.

The key as to whether or not remarkable results can be achieved when the entire society sets out to support and rejuvenate old revolutionary areas, and help the people there to get rid of poverty and become rich, lies in leadership. Party committees and governments at all levels should work out general plans on the work of assisting the poor, and leaders should ensure the work can be carried on by their successors term after term. Continued efforts will be made to grant preferential policies to the resource exploration of old revolutionary areas and other impoverished areas, and to select and stress a number of key projects to bring along the economic growth of these areas. While putting into effect the state's special regional policies aimed at stepping up the development of impoverished areas, we should pay particular attention to the implementation of various preferential treatments and measures set out by the State Council with a view to lightening the burden of the people in impoverished areas and expediting the economic growth of old revolutionary areas and other impoverished areas.

All the credit for supporting and helping the poor should go to the people. Under the correct leadership of the regional party committee, let us carry out struggle in unity, translate the spirit of our revered Comrade Bo's inscription into action, and make greater contributions to changing the backward appearance of old revolutionary areas and other impoverished areas at an early date!

Li Changchun Addresses Henan Meeting on Economy

HK1806070892 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 17 Jun 92

[Summary from poor reception] The propaganda department under the provincial CPC committee held its second discussion on pushing Henan's economy to a new height. Participants widely discussed favorable conditions and unfavorable factors for pushing Henan's

economy to a new height and some issues concerning the expansion of reform and opening up. Provincial Governor Li Changchun; Yu Youxian, director of the provincial propaganda department; and others attended the meeting.

In his speech, Governor Li Changchun called on the whole province to conscientiously study the spirit of Comrade Deng Xiaoping's important speech and regard this as a powerful driving force for expediting Henan's economic development. He stressed that it was necessary to urge the broad masses of cadres and people to emancipate their minds and renew their ideas through mass discussions. It was necessary to seize the present favorable opportunity and concentrate our efforts on boosting our province's economy. It was necessary to remove ideological obstacles to unify our thinking on the track of the party basic line and socialist planned economy.

Li Changchun also said: We must be firm in transforming operational mechanisms of state-owned enterprises. We must rely on our own efforts to solve problems involving talented personnel, science and technology, and so on. Through mass discussion, we must strengthen the confidence of our cadres and people to achieve our own objectives. This will enable us to push our province's economy to a new height.

Henan's Pingdingshan City To Accelerate Opening

OW1706092892 Beijing XINHUA in English
0647 GMT 17 Jun 92

[Text] Zhengzhou, June 17 (XINHUA)—Central China's Pingdingshan City will tap its natural resources to accelerate opening to the outside world and usher in a new stage of economic development, according to Mayor Wang Quanshu.

Wang said that the city in Henan Province has rich natural resources, convenient traffic conditions and a sound industrial base.

Pingdingshan, which means mountain with flat tops in Chinese, covers 8,802 square kilometers and has a population of 5.2 million. Under its jurisdiction are five counties and two county-level cities.

The mayor noted that 44 minerals have been found in the city. Reserves of 22 minerals have been verified, including coal, salt, bauxite, refractory clay, limestone, silica, gypsum, graphite and marble.

Its total coal reserve is 10.3 billion tons, the salt reserve is 230 million tons with bauxite and gypsum accounting for 10.3 percent and 60 percent of the provincial reserves respectively. The city has three big reservoirs and 172 small reservoirs with a capacity of 3.21 billion cubic meters.

Tobacco, medicinal herbs and tussah silk produced in this area have a nationwide reputation and have been exported for decades.

As for its industrial bases, Wang said Pingdingshan has 1,192 industrial enterprises with 505,900 workers. Its industrial output value reached 12.87 billion yuan in 1991. Coal, power, steel and textile industries are the basis of the local economy.

Pingdingshan produced 31 million tons of coal, ranking second only to Datong city among China's coal production centers. The Yaomeng thermal power plant in the city, with a generating capacity of 1.2 million kilowatts, is one of the five biggest thermal power plants in China. The Wuyang Iron and Steel Company is the only special wide and thick steel plate producer in China. The Pingdingshan high-voltage switch plant is one of the three leading producers of its kind in China. The nylon tire cord fabric plant is the biggest producer of tire cord fabric in China and one of the three biggest in the world.

The city is linked with the Beijing-Guangzhou and Jiaozuo-Zhicheng railways and crossed by highways. It has installed 17,000 international direct dialing telephone lines to 187 countries.

Pingdingshan also has tourist attractions including reservoir lakes, mountains, hot springs and historical sites. With a history of 7,000 years, Pingdingshan was a battlefield during the Warring States Period (475-221 b.c.).

In recent years, nearly 100 leaders from the central authorities have visited Pingdingshan and encouraged the city to tap its potential.

In order to accelerate its economic development, Pingdingshan has established economic ties with 345 departments and enterprises in 23 Chinese provinces and cities. The city has economic links with 30 countries, including Japan, the United States, Germany and Belgium, and signed contracts on cooperative projects representing overseas investment of 400 million U.S. dollars.

In order to accelerate its economic development, the municipal government has recently worked out 16 preferential policies and designated a 12-square-kilometer economic and technological development zone for domestic and overseas investors.

The municipal government has also decided to hold a fair in Shenzhen City on June 20 when officials will announce the preferential policies and put forward 200 projects for cooperation.

Mayor Wang Quanshu said that based on its natural resources, the central city in southwestern Henan also plans to develop into a key energy and chemical industrial center.

To make good use of its advantages in power industry, the city has completed feasibility studies of 200 projects with an investment of 5.94 billion yuan. Among them 66 have been listed as state and provincial key construction projects and 17 have already been approved for construction by the state or provincial government,

including two 300,000-kilowatt generating units in the Yaomeng thermal power plant, a nylon 66 salt plant with an annual production capacity of 30,000 tons, a 100,000-ton coal tar plant, a salt plant with an annual production capacity of 300,000 tons, and expansion of the tire cord fabric, cement and chemical fertilizer plants.

The 16 preferential policies to encourage investment cover examination and approval procedures, management, land leasing, labor, taxation and credit.

According to the new stipulations, the local authorities will give reply to overseas investors' applications, suggestions, feasibility study reports or contracts within five days. In enterprises with overseas investment accounting for over 51 percent of capital, the foreign investors can decide the form of management, have the decision-making power in production and operation, and the final say in employment.

The high-tech firms and enterprises whose exports account for over a half of its output can be exempted from income tax, operational tax and product (value-added) tax for five years. In the following five years, the three taxes can be cut by a half.

The local banks will also loan two yuan for each U.S. dollar of overseas investment for capital construction. The foreign-funded enterprises can also obtain loans through the mortgage of fixed assets and issue bonds or stocks.

The charges on transport, water and gas supply, services, construction and designing will be equal to that for the local state enterprises. Medical care, food, housing, tourism and transport fees for overseas workers and their family members will be the same as those for local residents.

The local authorities will give preferential treatment to foreign-funded enterprises in insurance, telecommunications and other aspects.

Hubei's Guo Shuyan Views Jan-May Economic Growth
HK1706055592 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 15 Jun 92

[Text] The provincial government held an economic situation analysis meeting on the afternoon of 13 June.

The analysis meeting, which was presided over by provincial Governor Guo Shuyan, comprehensively analyzed the provincial economic operation and situation in the January-May period and put forward a new train of thought as well as measures for the provincial economic work in the next stage.

The analysis meeting was attended by provincial Vice Governors Li Daqiang and Zhang Huainian, Secretary General Zhou Jianwei, as well as persons in charge of various provincial government commissions and offices.

Statistics and situation reports show that since the start of this year and along with in-depth reform and rapid proliferation of opening up from coastal areas to areas along the Chang Jiang, the provincial national economy has witnessed an increasingly rapid growth, with the result that the province-wide production, construction, and circulation have entered a period of relatively rapid growth. In the January-May period, the provincial industrial production rose month after month, resulting in a sales boom and much better economic results. The profits of various budgetary industrial enterprises across the province went up by 30.3 percent, whereas their losses dropped by 28.6 percent. The provincial financial revenue rose by 15.4 percent, higher than the rise of the provincial financial expenditures in the same period. The province-wide investment also showed a remarkable increase, coupled with a more rational orientation. The overall provincial economic situation was also boosted by a steady increase of market sales volume. The total provincial export trade volume reached \$550 million, representing a 22.2 percent increase and a net increase of \$100 million over the corresponding period of last year, thus placing Hubei among 10 top provinces and cities throughout the country that enjoyed a \$100 million increase in export trade volume in the January-May period. During this period, a total of 220 foreign-invested enterprises were set up, far outnumbering the foreign-invested enterprises set up in the same period of last year. Moreover, foreign investment in and foreign tourists to the province also showed a significant increase.

Guo Shuyan and Li Daqiang delivered speeches at the meeting.

In his speech, Guo Shuyan pointed out: We must make redoubled efforts to shift enterprise operative mechanism, for this can serve as a motive force in promoting all sorts of provincial economic work at the next stage, so that we will be able to score more achievements in this field. Furthermore, we must make continued efforts to gear enterprise production to market demand, take expeditiously opening up new markets as the key link in the overall economic work, and attach importance to both domestic and foreign markets. At present, we must make particular endeavors to develop multilateral trade and open up border trade markets. To this end, all large and medium enterprises across the province must cultivate a two-market concept and make painstaking efforts to strive to enter the world market.

Dwelling on problems plaguing current economic operation, such as fund shortages, electric power shortages, poor transportation capacity, and shortages in supply of raw and processed materials, Guo Shuyan stated: In face of these difficulties, on the one hand, comrades working in various economic departments must bravely forge ahead, take the initiative to make breakthroughs, and smooth out channels. On the other hand, all comrades concerned must further reform, transform mechanism, make meticulous arrangements, tap latent potentialities, and make earnest efforts to help enterprises overcome

difficulties and solve problems to ensure a sustained and steady provincial economic growth for the remaining months of this year.

Guo Shuyan concluded: We must further emancipate our minds, broaden our train of thought, quicken our pace of inviting foreign funds, and attract more funds to promote a faster provincial economic growth and build a stronger provincial economic reserve strength.

Taiwan Firms To Build Commercial Center in Hubei
OW0606073892 Beijing XINHUA in English
0707 GMT 6 Jun 92

[Text] Wuhan, June 6 (XINHUA)—Several companies from Taiwan will jointly invest in the development of a commercial center in Jiangling County, Hubei Province.

Five Taiwanese companies recently signed a lease with the Jiangling County government for land-use rights to 20 hectares.

The county has also designated 18 square kilometers as the site for an intensive technology development zone in the southern part of the county. The site is an ancient battlefield in the Three Kingdoms Period (220-280).

The commercial center, which will be located in the development zone, will include science and technology gardens, residential compounds and various parks and recreational areas.

The Taiwanese companies will also cooperate with the Jiangling County government in building a Three Kingdoms theme park in the development zone.

Xiong Qingquan Inspects Experimental Breeding Base
HK1906100492 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 15 Jun 92

[Excerpts] The day before yesterday, in the afternoon, Xiong Qingquan, provincial party committee secretary; Sun Wensheng and Yang Zhengwu, provincial party committee deputy secretaries; Zhou Texin, provincial party committee propaganda department director; and some other leaders concerned went to Mawangdui township on the outskirts of Changsha, where they inspected an experimental breeding base run by the provincial science and technology association. [passage omitted]

Comrade Xiong Qingquan and other leaders also went to Fuan township on the outskirts of Changsha, where they called on a household specializing in raising livestock and fully affirmed the contributions made by the provincial science and technology association to popularizing science and rejuvenating the rural economy.

Southwest Region

Guizhou's Wang Chaowen Inspects Danzhai County
HK1806070692 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 15 Jun 92

[Excerpts] Provincial Governor Wang Chaowen, provincial Vice Governor Zhang Shukui, and persons in charge of various provincial departments concerned went of late to Danzhai County, where they worked on the spot, gave views, and advanced suggestions aimed at expediting the local economic development.

In Danzhai County, Wang Chaowen and his entourage inspected the Qianjiang smeltery, a ceramic tile factory, and the Mihoutao Base where they were briefed by the county leaders on local work; read materials regarding agricultural production, water and electricity facilities building, as well as township and town enterprises development; and analyzed the on-going structural readjustment situation as well as some specific projects under construction in Danzhai County. [passage omitted]

During their inspection, Wang Chaowen and Zhang Shukui pointed out: The county and township authorities should work out plans for how the tens of thousands of households should participate in a commodity economy development. Only thus will it be possible for all the local households to shake off poverty, become prosperous, and realize a comfortably well-off livelihood. The provincial leaders expressed the hope that the leaders of Danzhai County will further emancipate the mind, become bolder and quicken the pace in local development, give full scope to local superiorities, and develop an economy with salient local characteristics.

Sichuan Provincial Party Congress Opens
HK1906100192 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 15 Jun 92

[Text] The Sichuan Provincial CPC Congress solemnly opened in Chengdu yesterday morning.

The congress was prepared to fulfill the following main tasks:

1. To elect Sichuan deputies to the forthcoming 14th CPC National Congress;
2. To further discuss ways and means of implementing and carrying out the spirit of the series of important speeches made by Comrade Deng Xiaoping during his south China tour as well as the spirit of a recent CPC Central Committee Political Bureau plenary meeting;
3. To further emancipate the mind, brace up, and strive to push Sichuan's economic development onto a new stage.

A total of 614 party-member representatives from various fronts across the province attended the congress.

Comrade Yang Rudai, provincial party committee secretary, presided over yesterday's opening ceremony, at which he delivered a speech.

Comrade Li Boyong, provincial party committee deputy secretary, announced a namelist of tentative candidates for election as Sichuan deputies to the forthcoming 14th CPC National Congress and gave a report on the provincial CPC congress preparatory work.

Zhang Haoruo, Li Boyong, Nie Ronggui, and Qian Yunlu, provincial party committee deputy secretaries, and Xie Shijie, Li Xipu, Xu Shiqun, Yang Chonghui, and Wu Xihai, provincial party committee Standing Committee members, attended yesterday's meeting.

Yesterday's meeting was also attended by principal comrades in charge of the provincial advisory committee, people's congress, and Chinese People's Political Consultative Conference committee, including Xu Mengxia, He Haoju, and Liao Bokang.

A number of Sichuan-based Central Advisory Commission members, such as Comrade Li Dazhong, Comrade Tian Bao, and some other comrades, also attended yesterday's meeting.

After the opening ceremony, the participants immediately held a meeting at which they studied relevant documents and discussed the namelist of tentative candidates for election as Sichuan deputies to the forthcoming 14th CPC National Congress.

Yang Rudai Gives Report

HK1906144892 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 16 Jun 92

[Text] The Sichuan Provincial CPC Congress was convened yesterday, at which provincial party committee Secretary Yang Rudai gave a report entitled: Emancipate Minds, Work in Real Earnest and in a Down-to-Earth Manner, Strive To Push Sichuan's Economic Development Onto a New Stage.

In his report, Comrade Yang Rudai mainly dwelt on the following four issues:

1. To seize the current excellent opportunity to further reform and opening up;
2. To work in real earnest and in a down-to-earth manner and focus on implementation work;
3. To grasp key links and make breakthroughs in major fields; and,
4. To step up party building and strive to push provincial economic development onto a new stage.

Comrade Yang Rudai emphatically called for making breakthroughs in the following major work aspects in future:

1. Rural economic development. Emphasis should be laid on product quality improvement, high production yield, high production efficiency, and processing industry development;

2. Industrial production. Emphasis should be laid on several superior industries development and famous-brand products development;

3. Communications and telecommunication undertakings;

4. Funds collection as well as flexible and efficient utilization;

5. Local industries development; and,

6. Commercialization and industrialization of scientific and technological achievements.

Comrade Yang Rudai pointed out in conclusion: At present, our top priority is to continually implement in an in-depth manner the series of important speeches Comrade Deng Xiaoping made during his south China tour and further unify both ideology and action of all party members. Only by emancipating the mind will we be able to widen our field of vision and broaden our train of thought.

Comrade Yang Rudai also called on party organizations as well as the broad masses of party members at all levels across the province to give full scope to the political core and fighting bastion roles played by party organizations at all levels, bring into full play the Communist Party members' vanguard and exemplary roles, and carry out more extensive explorations to contribute more to Sichuan's economic rejuvenation.

Commentator's Article on Reform, Stability

OW1706121292 Lhasa Tibet Television Network in Mandarin 1200 GMT 16 Jun 92

[Report on XIZANG RIBAO commentator's article: "Correctly Understand Relations Among Reform, Stability, and Development"; from the "Tibet News" program]

[Text] The article states that reform and development are the two main themes of the present time, and in Tibet there is one more issue—stability. Correctly understanding and properly handling relations among reform, stability, and development not only is the priority ideological awareness problem to be overcome in our current effort to emancipate the mind, but it is also the major practical problem in Tibet's drive to speed up reform and opening to the outside world and economic construction.

Relations between reform and development are not a question of which one should have priority or precedence. There is no conflict between reform and development. Our goal is to develop the economy, and the implementation of reform is for the sake of speeding up development. Following the quickening and deepening of development, reform must be carried out at a higher level in certain areas. When discussing speeding up development, some people think of hastening the pace by increasing investments, the labor force, work shifts, and implementing points under the existing conditions and system. This cannot be done in Tibet, and it is also not suitable to most areas in the country. What we need

is actual development with a stress on efficiency, quality, and speed. As such, we can only search for a path through reform. Speeding up development also does not mean we should encourage indiscriminate launchings of new projects, blind pursuit of large and all-embracing projects, small and all-embracing projects, and unrealistically high speed. Tibet should not pursue the course of unrealistically high speed and large investments. It should seek to achieve development by exploiting its potential and upgrading its efficiency through deepened reform.

Social and political stability are the primary objective conditions for the smooth implementation of reform; however, neither reform nor stability is the goal we pursue. Our goal is to develop the economy, but development is our hard central task, while reform and stability are the tactics and conditions necessary to serve this goal.

The current struggle between splittism and antisplittism in Tibet will exist in the distant future, and it may be more intense at times. As such, efforts to maintain stability still have important practical significance. Firm measures are definitely necessary to maintain stability.

The objective of reform is to eliminate old concepts, old frameworks, old systems, and old models that obstruct social development; to build new concepts and new systems that are suitable to China's national conditions; to fully arouse the people's initiative; to further liberate and develop production forces; to enhance the national strength; and to improve the people's material, cultural, and living standards to build a solid material foundation so stability can be attained. Stability will be even more dependable when reform is properly carried out and productive forces are extensively developed.

The superiority of socialism will be reflected through the development of the economy, enhanced national strength, improvements in people's living standards, and improvements in the system. When people's initiative is aroused, their hearts desire security and stability; hence, society will surely be more stable. Only then will Tibet's stability have an overall, long-term, and solid foundation. At the same time, stability also provides conducive social conditions for the implementation of reform and development.

Lhasa Draws Up Measures for Rural Enterprises

OW1806061892 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 17 Jun 92

[From the "News and Information" program]

[Text] The Lhasa City CPC Committee and Government recently drew up specific measures for developing village and town enterprises. These measures are:

1. The Lhasa City CPC Committee and Government urge all counties and districts of the city to properly organize the masses of grass-roots cadres, peasants, and

herdsmen to thoroughly study Comrade Deng Xiaoping's important remarks; to do away with the old way of thinking, especially to realize the value of commodities; and to realize that only by developing village and town enterprises and by developing a diversified economy on a large scale can we expect to become better off and live a more comfortable life.

2. Setting up village and town enterprise units. The Lhasa City CPC Committee and Government have studied setting up village and town enterprise units at the city and county levels as a part of efforts to establish a complete service system and to provide better service before, during, and after production process.

3. Strengthening technical training and promoting lateral cooperation. In view of the poor technical capability of village and town enterprises in Lhasa and the low quality of these enterprises' personnel, the city authorities will invite specialists to give lectures to local village and town enterprise personnel, encourage these personnel to learn from the experience of other localities, hold various classes, hold study sessions to replace training programs, ask experienced workers to impart their experiences to new workers, promote on-the-job training, and take other measures to train technical workers at various levels for village and town enterprises. At the same time, the city encourages local village and town enterprises to establish lateral economic cooperation with research units and economically more developed localities and to make use of modern technologies and equipment, in order to accelerate development of village and town enterprises.

4. Pooling funds to develop village and town enterprises. In addition to funds allocated by local authorities, the city encourages peasants and herdsmen to contribute labor or materials instead of money and to pool funds to buy shares of enterprises as a way to develop village and town enterprises. In addition, the city will ask enterprises to retain 3-5 percent of their net profits for their accumulated funds and another 2-3 percent for their welfare funds, which will be used for expanding enterprises' production capability and improving workers' welfare.

5. Adopting preferential policies for village and town enterprises. The Lhasa City CPC Committee and Government have decided to ask financial departments at the city and county levels to appropriate 1 million yuan annually, which will be used partly as a loan and partly as a grant for the development of village and town enterprises. They also have decided to ask local banks to provide 2 million yuan of low-interest loans annually to support village and town enterprises.

6. The Lhasa City CPC Committee and Government ask all concerned departments to draw up plans and measures for developing village and town enterprises, ask economic departments to actively help enterprises solve their practical problems, and ask administrative and management departments to do a good organizational

and coordination job for village and town enterprises and to provide good service to them.

Enterprises in Tibet's Nagqu Begin Reforms

OW1706060792 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 16 Jun 92

[From the "News and Information" program]

[Text] To enable enterprises to transform their management mechanisms and to make enterprises more market-oriented at the earliest possible date, Nagqu Prefecture has selected four enterprises, both money earning and losing, for reform on a trial basis, beginning in mid-June.

The four enterprises are the Nagqu Prefectural Animal Husbandry, Industrial, and Commercial Company, the Nagqu Prefectural Pharmaceutical Company, the Nagqu Prefectural Minerals Company, and (Tangla Foreign Trade) Company. Key reforms will be carried out in business management, pricing, hiring, distribution, and [words indistinct].

The four enterprises, whether money earning or losing, have demonstrated great enthusiasm in exercising greater decisionmaking powers. Managers and factory directors of these four enterprises hold that, to really turn enterprises into independent commodity producers and dealers, it is of course important for enterprises themselves to work hard, but a more liberal environment provided by the government is more crucial. To take advantage of the opportunity, the Nagqu Prefectural Animal Husbandry, Industrial, and Commercial Company and the Nagqu Prefectural Pharmaceutical company have begun a sweeping reform in optimizing work operations and introducing the risk mechanism. At the same time, the Nagqu Prefectural Minerals Company and Tangla Foreign Trade Company are also making bold explorations in enterprise reorganization and in reforming their distribution systems.

Yunnan Convenes Secrecy Maintenance Conference

HK1606123092 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 13 Jun 92

[Excerpts] A provincial secrecy maintenance work conference was convened in Kunming yesterday morning.

The conference relayed a speech made by Comrade Qiao Shi at a national secrecy maintenance work conference as well as the national conference's spirit and studied and arranged for the provincial secrecy maintenance work.

The conference held: Thanks to the publicizing of the PRC Secrecy Maintenance Law as well as the Regulations on Implementation of the PRC Secrecy Maintenance Law, Yunnan has carried out relevant supervisory and examination work in an in-depth manner and on an extensive scale over the past few years with the result

that Yunnan has formulated and enforced more forceful measures aimed at preventing secrets from leaking out. [passage omitted]

The conference pointed out: The global situation still remains volatile while the hidden struggle between two opposing fronts has remained complex to date. Yunnan has a border of more than 4,000 km in the absence of a natural defense. Therefore, Yunnan is facing a rigorous situation in secrecy maintenance work. This situation demands that leading organs at and above county level step up security control over departments with access to state secrets and over leading cadres with direct access to confidential documents. Moreover, tighter control must be exercised over various border ports and over the work of maintaining secret documents. It is also necessary to give top priority to the work of protecting economic, scientific and technological, and national defense secrets.

The conference called on party committees and governments at all levels across the province to further step up secrecy maintenance work-related propaganda and education activities; proceed from actual conditions; correctly handle relations between secrecy maintenance on the one hand and reform and opening up on the other; explore a new road leading to more effective state secrets maintenance; further step up a secrecy maintenance contingent building; and adopt a variety of measures to serve economic construction, reform, and opening up under the new circumstances.

Yunnan, Taiwan Cooperation Seminar Closes

OW1706093492 Beijing XINHUA in English 0816 GMT 17 Jun 92

[Text] Kunming, June 17 (XINHUA)—The first seminar on cooperation between Yunnan Province in southwestern China and Taiwan closed here on Tuesday.

Over 40 scholars from the United States, Singapore, Yunnan, Taiwan and Hong Kong attended the seminar.

John T.S. Hsie, professor of economics from California State University, said that cooperation between the Chinese Mainland, Taiwan and Hong Kong will accelerate economic development of all these areas and increase their competitive edge on the international market.

H.C. Kao, professor of economics from Wisconsin University, said, the reform will promote progress of the mainland and the exchange between the two sides will help Taiwan have a brighter future.

Officials of Yunnan Province also exchanged views with the scholars on Yunnan's investment environment, preferential policies and development of real estate.

Northeast Region

Northeastern Provinces Promote Commodity Economy

OW1706092292 Beijing XINHUA in English
0732 GMT 17 Jun 92

[Text] Shenyang, June 17 (XINHUA)—Farmers in northeast China are discarding their traditional self-sufficient small scale production and have turned to a more profitable and efficient commodity economy, which has been given more and more importance nationwide.

Northeast China, including the provinces of Heilongjiang, Jilin and Liaoning, is a granary of the country, and its combined grain output accounts for over 10 percent of the country's total.

However, during the first 30 years after the founding of new China in 1949, local agricultural production remained stagnant, producing only enough to feed the local populace. But the situation has changed greatly since the implementation of rural reform in the late 1970s—especially since 1985, when the central government cancelled the state monopoly of purchase and marketing of agricultural and sideline products.

At present, in Liaoning Province alone, 22 commodity grain production counties have emerged, and in Jilin Province there are 28 such counties.

Changtu county in Liaoning Province is a key commodity grain base of the country; each year the county turns over 1.25 billion kg of grain to the state.

The county pays great attention to the development of animal husbandry as well by making use of its abundant grain. It has developed into a production base of pigs, cattle and poultry, and has established agricultural and sideline-product processing industries. In addition, an integrated production network including 15 lines of production related to planting, breeding and processing has been set up in the county.

This has enhanced a coordinated development of various industries in the rural areas and raised farmers' income, which stands at nearly 800 yuan a year currently from less than 100 yuan before the reform.

Ginseng is no longer a rare treasure in the northeast. Now, ginseng cultivation has reached 15,000 ha, the output accounting for 80 percent of the country's total and 60 percent of the world's total. The annual export earnings from ginseng stand at over 10 million U.S. dollars.

In tandem with the development of rural commodity production, a large group of markets have also emerged.

A survey shows that at present the number of rural and urban markets in northeast China have surpassed 6,000. Some 60 percent to 70 percent of them are distributed in

rural areas. Along Liaoning's 400 km expressway there are 97 rural markets which were set up within three years.

Xiliu town, also in Liaoning, has set up the largest cloth and clothing wholesale market in the country. The annual transaction volume stands at 830 million yuan.

On the 46,000 sq m area, 12,000 people manage more than 5,300 stands, selling more than 1,100 varieties of commodities. The market attracts some 30,000 people every day.

To date, the market has set up more than 80 passenger and cargo transportation routes, including highway transportation linked to nine nearby railway stations. In addition, the market's posts and telecommunications station usually receives more than 1,500 business telegrams and registered letters, and more than 800 business phone calls every day.

The market also stimulates industries in the towns and nearby rural areas. Xiliu town has set up more than 300 enterprises related to clothing, printing and dyeing, and some 50,000 to 60,000 farmers from 20 nearby townships have opened garment workshops.

Meanwhile, Haicheng City has also set up 17 economic and trade entities in some of northeast China's border trade ports including Manzhouli city in the Inner Mongolia Autonomous Region, Heihe city in Heilongjiang Province and Hunchun city in Jilin Province. In addition, there are also 52 rural enterprises from Haicheng which have established border trade companies.

In addition, provincial and other-level governments in northeast China have drawn up a series of preferential policies and measures to encourage the construction of various multi-functional markets and wholesale markets.

Not long ago, Xinmin county's Sandaogangzi township opened 19 meat wholesale and retail stands at Jiulu market in Shenyang, capital of Liaoning. On the same day, two other wholesale and retail stands operated by the township also opened in Shenyang.

Sandaogangzi township sells 25,000 head of pigs, 3,000 tons of chickens and 15 million kg of quality rice annually.

Li Lanqing in Harbin for Talks; Meets Sun Weiben

SK1706152292 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 16 Jun 92

[Text] Li Lanqing, minister of foreign economic relations and trade, and his entourage arrived in Harbin on 16 June to attend the third Harbin border trade and local economic talks. Accompanied by Provincial Governor Shao Qihui, Minister Li Lanqing viewed various exhibition rooms of the talks, made a speech on how the province should successfully run the talks, and met with heads and deputy heads of official delegations from abroad.

At noon on 16 June, leaders of the provincial party committee and the provincial government, including Sun Weiben, secretary of the provincial party committee, cordially met with Minister Li Lanqing and his entourage at the Huayuancun Guesthouse.

That morning, after deplaning, Minister Li Lanqing went to the Huayuancun Guesthouse, where he stayed, to hear the report made by Provincial Vice Governor Du Xianzhong on preparations for the third Harbin border trade and local economic talks and on the transaction situation since the opening of the talks. He praised the province and the Harbin City Government for their five-month thorough preparations which have led to the successful opening of the talks.

That very afternoon, accompanied by Governor Shao Qihui and (Wang Donggang), assistant governor and director of the provincial foreign economic relations and trade commission, Minister Li Lanqing and his entourage enthusiastically viewed various exhibition rooms of the talks. Whenever he came to a commodity counter in an exhibition room, he cordially shook hands with working personnel and earnestly asked them about the functions and quality of commodities as well as about the situation of transactions.

After viewing the exhibition, Li Lanqing said: The current trade talks cosponsored by Heilongjiang Province and Harbin city are generally better than the previous one. In the current trade talks, the variety of goods is richer, and the quality of goods and the level of meeting international marketing demands are better than those of the previous one.

Li Lanqing stressed: Running trade talks is a form of international trade. We should accurately master the changing situation in the international market and conscientiously research the CIS and East European countries' trade situation. The forms of trade should be flexible and diversified. We must make great efforts to improve the quality of commodities and flexibly grasp the prices of commodities in order to enhance our commodities' competitiveness on world markets. In developing commodities, it is not necessary to seek quantity. We should make efforts in developing new, complete, highly sophisticated, and high-quality products. We should give full play to the major role of Heilongjiang in Northeast Asia and take full advantage of Heilongjiang's rich natural resources to vigorously develop the foreign trade of the province. Minister Li Lanqing also expressed some sound opinions of a guiding significance on the deficiency of the trade talks.

Also attending the reception and visiting the trade talks were Shi Guangsheng, assistant minister of foreign economic relations and trade; Liu Xiangdong, director of the Department of Policy and Reform; and Liu Zepu, director of the European Affairs Department under the Ministry of Foreign Economic Relations and Trade, major members of Minister Li Lanqing's entourage.

Heilongjiang's Sun Weiben on Heihe's Opening Up
SK1706142192 Harbin HEILONGJIANG RIBAO
in Chinese 21 Apr 92 pp 1, 5

[By reporter Wang Zengxiang (3769 1073 4382): "Sun Weiben Conducts Investigations and Study in Heihe; Calls for Blazing New Road of Opening Up With Border Characteristics"]

[Text] With State Council approval for further opening up, Heihe city has started its initial work for it. At a meeting of leading cadres of Heihe Prefecture and Heihe city held on the morning of 20 April, Sun Weiben, secretary of the provincial party committee, gave a speech on further emancipating the mind and blazing a new road of opening up with characteristics of border areas after conducting investigations and study in Heihe.

Sun Weiben said: "The provincial party committee and government have always attached great importance to the construction of border open cities, such as Heihe and Suifenhe, and have listed it as an important item on the agenda last year and this year, on which breakthroughs should be achieved." He said: After the State Council decided to open Heihe further, a warm current of opening wider to the outside world has been flowing there. However, the opening up of a border area is different in many aspects from that of a coastal area, and blazing a new road of opening up with border characteristics is a glorious historical task for the people of Heihe.

Heihe has achieved significant breakthroughs in the opening up of border areas over the past few years and played a leading role: It was the first to reopen the border trade between China and the former Soviet Union and became a border area with the largest volume of border trade and the largest volume of mutual cargo delivery in China; it opened the first tourist base in the border area between China and the former Soviet Union, the first nongovernmental trade area for both sides, and the first market for Russian goods; and it established the first group of joint ventures in the Sino-Russian border area and became the largest base in an inland area for establishing ties at home. We should note that in addition to Heihe's subjective effort to implement the policy of opening up in a creative manner, there have been historical and objective necessities. The major one is that Heihe faces Russia across the river, which is its geographical advantage, and that they have the common need for mutual economic supplementation and the common difficulty of foreign exchange shortage, can gain direct benefits from barter trade, and have tremendous market potential and good prospects for regional cooperation. The current domestic and foreign environment has provided a golden opportunity for us to open further. Designation of Heihe and Suifenhe as border open cities marked that Heilongjiang's position and role in the opening up of border areas have become even more prominent and the endeavor to establish ties with localities south of the province and opening up to those north of the province has entered a new stage; and

marked that Heihe has become a leading city in the opening up of border areas and the endeavor to open up trade to develop border areas has entered a new stage. We should understand the significance of Heihe's opening up from the perspective of the general pattern of opening to the outside world of the entire country and the entire province. If we say that the establishment of Shenzhen and other special economic zones by the central authorities 10 years ago was for the purpose of blazing a new road of the opening up of coastal areas, it is for the purpose of blazing a new road of the opening up of border areas that we establish Heihe and other border open cities at present. This is a glorious and yet arduous historical task for the people of Heihe, who can show the Heihe spirit, Heihe style, Heihe efficiency, and Heihe speed to the entire province, the entire country, and even the entire world. The so-called Heihe spirit is to have the new opening up awareness, the main awareness of pioneering new ways for opening border areas to the outside world, and the lofty aspirations of being unwilling to lag behind, trying hard to catch up with or surpass the advanced, making Heihe prosperous through competition, and rejuvenating Heihe. The Heihe style and features are to have not only a clean and beautiful appearance suitable to further opening to the outside world but also a civilized and vivid image of the Heihe people. The Heihe efficiency is to set up a new highly efficient system with fewer links in doing the work in various spheres, particularly the work of inviting businessmen. The Heihe speed is to quicken the pace of opening up and development and to try to stand among the first in international and domestic competition.

With regard to the issues of pioneering opening up with frontier characteristics, creatively implementing the guidelines of the central authorities, and defining the orientation of development, Sun Weiben said: Heihe set forth an ideology of bringing into play its geographic advantages and making use of its natural resources, pioneering domestic and international markets, and building itself into a multifunctional, modern, international city with the border economic and trade cooperation as a guidance, dominated by the processing of export products and the development of tertiary industry, and with the focus on developing foreign exchange-creating agriculture and promoting a coordinate development of the economy and society. This ideology is correct. We should make breakthroughs in the following four areas. 1) We should make a breakthrough in taking trade as a guidance and rejuvenating industries by developing trade and build Heihe into an inland port where tertiary industry is well developed as well as a modernized export processing and foreign exchange-earning agricultural base. The province as a whole as well as Heihe is in the initial stage of developing trade with the countries under the CIS. To this end, we should develop, at the same time, local trade, border trade, nongovernmental trade, and tourist trade, and simultaneously conduct barter trade, spot exchange trade, and entrepot trade. Simultaneously, we should also readjust the export commodity structure and try

every possible way to expand the goods exchange scale. We should fully use the economic and trade rights to conduct economic relations and trade with the Russian Federation and the preferential policies and run border economic cooperation zones with the focus on processing export products. We should fully use the duty-free import preferential policies entrusted to Heihe by the state to vigorously develop foreign exchange-earning agriculture and to ceaselessly enhance the economic strength. 2) We should make a breakthrough in economic and technological cooperation to build Heihe into a commodity, labor service, equipment, and technology export bases occupying the markets of Russia and the Far East area as well as a forward front joining the regional cooperation with Northeast Asia. The purpose of opening Heihe to the outside world is to use foreign natural resources and foreign markets. The purpose of opening the coastal areas is to use foreign capital and technology. There are great differences between them. Only when we meet the urgent requirements of bringing in capital and technology and readjusting the economic structure, conduct economic and technological cooperation, and run joint ventures will we strengthen the contacts in the sphere of industrial structure, conform to the world economic trend of developing regional and group cooperation, join the economic cooperation in Northeast Asia, and particularly develop economic cooperation with the outside world. 3) We should make a breakthrough in opening to all directions with the focus on the countries under the CIS and build Heihe into a key link to conduct cooperation with the southern areas, open to the northern areas, conduct import trade with the western areas, and develop export trade with the eastern areas. A key feature of opening the border areas is to rely on the geographic advantages and historical origins to establish contacts with neighboring countries. Therefore, Heihe should bring into play its advantages of opening to the northern areas and conducting cooperation with the southern areas, promote the opening of itself to the northern areas by developing cooperation with the southern areas, gain gigantic power to attract the Western countries and other foreign countries, expand the capability of bringing in the advanced from the Western countries, and enhance the strength of opening to the outside world. The enterprise investors should be delegated the right to exchange of commodities on a commissioned basis. The right to exchange of commodities should directly be delegated to the foreign-funded enterprises and the enterprises of an appropriate export scale that conduct cooperation with the enterprises at home. 4) We should make a breakthrough in pushing forward the programs of both conducting reform and opening to the outside world and build Heihe into a border model base opening to the outside world and a vanguard experimental zone. To be geared to international markets and to join in transnational cooperation, we must do away with the barriers between different departments and regions and between domestic and foreign trade so as to enable enterprises to be truly the main bodies of markets and to be responsible for their own losses and profits; must foster the system of

domestic markets, which can run through international markets; and must change the function of governments and establish the intermediate level managerial system with indirect regulation and control as main tasks. All of these just are the content of deepening the reform. He urged Heihe to unify reform with opening up, to have reform and opening up help each other forward and achieve harmonious progress, and to work out a way with the border characteristics of opening to the outside world.

In citing the issue of how to bring into play the role of Heihe in opening the border areas to the outside world, Sun Weiben stressed: "To work out the way with the border characteristics of opening to the outside world must be based on the interest of the city, bring along the cities throughout the province, and serve the country as a whole." He said: Heihe is a unit in opening the country to the outside world and is the province's "eye" in broadening its opening up. It should not only play its vanguard role but also its role of influence and rendering services. First, the city should provide a good environment for investments. It can draw on the experience gained by Shanghai Municipality and Zhuhai Special Economic Zone, bring into full play the forces of various circles, follow the principle of "having the people build their own city," formulate most preferential policies, and encourage both domestic and foreign businessmen or firms to invest their money in large-scale land development or in the joint venture operation of building infrastructures. While building tangible conditions, the city should also do a good job in vigorously building intangible conditions; successfully integrating various policies and provisions with the eight acts formulated by the State Council and the 13 acts drawn up by the provincial authorities; improving the service systems; perfecting the service organs for foreign businessmen and firms; upgrading the comprehensive function of joint services; and improving the deep-rooted environment of investments. Second, the city should provide economic and trade channels. Our province's serious problem now is that the state-run large and medium-sized enterprises throughout the province have not entered the main battlefield of economic and trade activities. The city should strive to obtain the right of direct barter activities with its contracted enterprises that have surpassed the fixed export quota; provide for large and medium-sized enterprises the services of entrustment and agent and of seeking cooperative partners; help large and medium-sized enterprises join in international bidding so as to promote exports by signing the contracts; and promote the cooperation between industry and trade, agriculture and trade, commerce and trade, and technology and trade in opening international markets. Third, the city should provide cooperative information, should be an information center of economic and trade cooperation with the CIS, and should provide first-grade services for various circles. It should enable the people to feel that the information provided by Heihe city is most efficacious and the people of the

city are most generous. Fourth, the city should offer experience and talented personnel.

In concluding his speech, Sun Weiben stressed that the key to working out the way with border characteristics of opening to the outside world lies in further emancipating minds and concentrating efforts on "trying it and going ahead daringly." First, efforts should be made to overcome the thinking of watching the trend and waiting for the decision made by the higher authorities as soon as problems have occurred and to uphold the principle of proceeding from reality and of boldly taking the lead before others in dealing with these problems. Second, efforts should be made to overcome the outdated habits of small-scale peasant economy, such as being satisfied with the better-off standard and engaging in half-step activities, to win over large markets, to do big business, to build large ports, and to carry out large undertakings. Third, efforts should be made to overcome the influence exerted by the mode of the product economy and to regard the work of broadening the opening up as an important content in fostering the new systems of the planned commodity economy and the task of building a bridge to international markets as a major subject of opening the border areas to the outside world. We should emancipate our minds and deepen reform to solve the following problems: the pursuit merely of export to earn foreign exchange and merely of import of funds and technology and the lack of adequate attention to direct participation in international economic cooperation and competition; enterprises' production merely of the products available in the country for export and little attention to organizing production according to the demand of the world market and the international standards and to organizing trade according to the prices of the world market; the practice of focusing on how to import and giving little consideration to how to export when conducting economic and technological cooperation; the emphasis on how others act according to our regulations and little consideration to how we adapt ourselves to the international practice during economic exchanges; the idea that only the government's foreign economic relations and trade department, which represents the state, has the authority to carry out economic and trade activities, which prevents most enterprises from foreign business and cooperative activities; and the practice of proceeding from the domestic industrial structure when formulating the industrial policy and giving little consideration to regional mutual economic supplement and cooperation of the world, which is the prerequisite. Fourth, we should overcome the erroneous idea of proceeding from the existing rules and regulations in doing everything and have the courage to straighten out all the policies and regulations incompatible with the demand for facilitating the development of productive forces, helping increase the overall national strength of a socialist country, and bringing about a better living standard. Fifth, we should overcome the long-standing malpractice of proceeding from departmental interests in doing everything and have the courage to break with the irrational structure of power and interests. At

present, the implementation of many policies is hindered and some work already decided on cannot be performed. An important reason for this is the intertwined relationship in terms of interests. We should solve the problem of "banning the performance of an entire opera just because of a red lantern." In this aspect, leading persons should have the courage to tackle problems. Regarding those who proceed from selfish departmentalism, stick to their departmental interests, and seriously affect the general situation of reform, opening up, and local economic development, we should adopt resolute measures or even necessary organizational means to unfailingly eliminate all the obstacles on the road of reform and opening up. Sixth, we should overcome the tendencies of knowing policies but paying no attention to applying them and of mechanically copying and transmitting documents without implementing them in a creative and flexible manner. We should apply policies successfully, fully, and flexibly. In the future, when a decision is made by the central or the provincial authorities, we should just carry it out bravely and not ask for specific regulations from pertinent departments. Regarding some issues, there is no need for specific regulations when the higher authorities have given principles.

Sun Weiben also said that facilitating the opening up of Heihe was a great task not only for the cadres and people of Heihe but also for the entire province, and that the provincial party committee and government and pertinent provincial departments would exert utmost efforts to support the reform and opening up of Heihe.

Comrade Ma Guoliang, deputy secretary of the provincial party committee, also spoke at the meeting. Sun Weiben, Ma Guoliang, and others arrived in Heihe on 15 April to conduct investigations and study. They visited the Heihe port, urban infrastructural facilities, the Daheihedao nongovernmental trade market, and the Russian commodity street and held talks with local border trade personnel.

He Zhukang Chairs Meeting on Opening Hunchun

SK1806060792 Changchun JILIN RIBAO
in Chinese 15 Apr 92 p 1

[Excerpts] On 13 April, Comrade He Zhukang presided over the meeting of the provincial party standing committee. At the meeting, participating members emphatically discussed the issue of how to accelerate the province's programs of opening up and development. It was pointed out that the State Council recently approved the project of opening the province's border city of Hunchun to the outside world. Thus, our province has entered a new stage in opening itself to the outside world. We must seize the historic opportunity to emancipate our minds; to make progress by making use of this opportunity; to truly grasp implementation and do practical deeds; and to accelerate our pace in reform, opening up, and economic development to boost the province's economy.

During the meeting, participating members heard a report by the provincial people's government on implementing the spirit of the circular issued by the State Council, on the ninth session of the fifth provincial party committee, on accelerating the pace of opening Hunchun to the outside world, and on developing the city. They studied how to accelerate the city's opening up and development, defined general ideas and basic plans for opening the city to the outside world, put forward clear demands for some major issues, and discussed and defined some specific policies and measures for accelerating the city's development.

In line with the spirit of the plenary session of the CPC Central Committee's Political Bureau, the important speeches of Comrade Xiaoping, and the ninth session of the fifth provincial party committee, as well as according to the province's actual situation, our guiding ideology of opening and developing the city should regard the important speeches of Comrade Deng Xiaoping as guidance and the emancipation of minds as vanguard. Our ideology should earnestly implement the party's basic line; mobilize people throughout the province to concentrate their efforts on making full use of geography and natural resources to carry out reform and opening up; vigorously introduce foreign capital and advanced technologies; actively join in economic cooperation among northeast provinces and with foreign countries; and build Hunchun into an open city. Hunchun should become engaged in comprehensive development, the export-oriented economy, and modernization construction to bring along the programs of reform, opening up, and economic leaps forward throughout the province. [passage omitted]

During the meeting, participating members also discussed and studied the issue of building a new and high-technical development zone in Changchun and of accelerating the city's development. Since 1988 when the provincial people's government decided to build a new and high-technical development zone in Changchun city and particularly since 1991 when the State Council approved the city development zone as a national-level one, our province had begun to take steps in building the technical development zone and scored marked achievements. There are many problems, however, that need to be studied or dealt with. Judging from the general situation, we must further emancipate our minds, deepen reform, and broaden opening up. We should boldly draw on the managerial mode and methods fostered by the special development zones and make use of reform methods to accelerate construction. Departments concerned should vigorously support the construction of development zones and adopt every possible way to push forward the construction of development zones. Only by realistically accelerating the opening up and development of Hunchun and construction of a new and high-technical development zone in Changchun will we certainly be able to bring along our province to take a greater step in opening itself to the outside world.

Transnational Corporations To Enter Shenyang

OW1506125492 Beijing XINHUA in English
1238 GMT 15 Jun 92

[Text] Shenyang, June 15 (XINHUA)—Shenyang city, capital of northeast China's Liaoning Province, expects to establish links with 30 transnational corporations involving 3 billion U.S. dollars of investment by 2000, according to the city Mayor Wu Disheng.

To date over 20 large foreign firms have come for negotiation with the city on co-operation projects and six agreements of intent have been signed.

The city has strengthened co-operation with foreign companies in order to further expand its opening to outside world, Wu said.

Wu said that the city hopes transnational corporations will co-operate in land development, real estate, trade and services and set up export-oriented enterprises and high-tech projects.

According to statistics, in the first five months of this year Shenyang approved 122 foreign-funded enterprises.

At the same time the Shenyang development zone attracted 25 foreign-funded projects involving investments worth 102.38 million U.S. dollars.

Liaoning Benxi Iron Mine Begins Expansion

SK1506014992 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 13 Jun 92

[Text] The expansion project of the Benxi Nanshan open-cast iron mine, a major technological transformation project of the state, formally began today. This major project requires a total investment of 1 billion

yuan. The entire project includes five major items and is scheduled to be completed by the year 2008.

According to the general manager of Benxi Iron and Steel Company, upon completion, this large open-cut iron mine expansion project of metallurgical departments may enable the annual production capacity of 10 million tons of iron ore to last for 48 years.

Liaoning Completes River Harnessing Project

OW1906083392 Beijing XINHUA in English
0806 GMT 19 Jun 92

[Text] Shenyang, June 19 (XINHUA)—Fuxin City of Liaoning Province, northeast China, has fulfilled the state-set target for a comprehensive improvement of the local Liuhe River.

The Liuhe River valley used to be seriously affected by soil erosion and was listed in a state project for improvement of water and soil conservation. The river flows through seven townships of Fuxin City covering a valley of 1,255 square kilometers.

In 1983, the central government of China worked out a 10-year plan to improve the environment in the area of the Liuhe River.

In the past nine years, the city invested 31 million yuan to plant trees and grass. It has constructed dams to control the river.

According to statistics, the city planted 22,000 hectares of trees and 12,000 hectares of grassland for water and soil conservation, and improved 1.142 million hectares of pastureland. All this has greatly improved the natural environment and reduced soil erosion along the river.

Now the forest coverage in the area has increased from 16 percent to 40.2 percent, and the varieties of plants increased from 30 to 45.

Legislative Yuan Election To Be Held 19 Dec

OW1806090392 Taipei CNA in English 0802 GMT
18 Jun 92

[Text] Taipei, June 18 (CNA)—The Central Election Committee (CEC) announced Wednesday that the election of the members of the Republic of China's second Legislative Yuan will be held Dec. 19.

Prior to the election, candidates can legally campaign from Dec. 9 to Dec. 18. The committee will publish the list of winning candidates on Dec. 26.

CEC Secretary General Hsu Kui-lin urged aspirants to move their household register to the districts they intend to represent by June 18 in order to meet a rule requiring that the candidate must "have lived" there for at least six months.

Voters will elect a total of 161 lawmakers—119 from "regional constituencies," six from aboriginal communities, six from Overseas Chinese communities and 30 from "national constituencies."

The major opposition Democratic Progressive Party (DPP) decided to nominate 60 candidates for "regional constituencies" and "aboriginal constituencies."

DPP leaders said the party will not hold a primary to decide whom to recommend, unless coordination fails to settle local contention.

The ruling Kuomintang Central Standing Committee yesterday approved a measure for nominating party candidates.

Taipei, Niger Establish Diplomatic Ties 19 Jun

OW1906085592 Taipei CNA in English 0804 GMT
19 Jun 92

[Text] Taipei, June 19 (CNA)—The Republic of China and the Republic of Niger announced the establishment of ambassadorial-level diplomatic relations Friday morning.

A joint communique to that effect was signed by Vice Foreign Minister Chang Hsiao-yen and Nigerian Foreign Relations and Cooperation Minister Hamidou Diallo.

Diallo, Planning Minister Laoual Chaffani, and two other officials of Niger are currently on a visit here.

Taipei will soon open an embassy in Niger's capital, Niamey, the Ministry of Foreign Affairs said.

The largest state in west Africa, Niger is land-locked and two thirds of its 12.6 million square kilometers of lands are desert. Its population is around 8 million, 85 percent of whom are Muslims.

Niger won independence from France in 1960. Between 1963 and 1974, it maintained official ties with the Republic of China.

Niger depends on agriculture and mining industry for its economic development, with uranium and cotton being its main foreign exchange earners.

Czech Vice Minister on Relations With Taipei

OW1806085892 Taipei CNA in English 0753 GMT
18 Jun 92

[Text] Taipei, June 18 (CNA)—The Republic of China has made a good start in improving relations with Czechoslovakia by setting up an economic and cultural office in Prague, Czech Vice Foreign Minister Martin Palous said here Wednesday.

The Czech Government hopes to set up a similar office in Taipei, said Palous, who arrived in Taipei June 14 for a private visit. He said relations between the two countries are cordial.

Palous said that he was impressed by the economic prosperity and social stability of Taiwan and that "Taipei is quite an interesting city."

The Czech minister welcomed Taiwan businessmen to invest in his country. "Taiwan visitors are entitled to the privilege of receiving landing visas in Czechoslovakia," he said.

Mainland Scientists Complete Taiwan Visit 16 Jun

OW1706123892 Taipei Voice of Free China
in English 0200 GMT 17 Jun 92

[From the "News" program]

[Text] The first group of Mainland Chinese scientists and technicians completed their visit to Taiwan on 16 June. Each expressed his affirmation for the exchange and said that it was the beginning for academic and technological cooperation between the two sides.

A press conference for the seven visiting mainlanders was held at the Academia Sinica on the morning of 16 June. The scientists' expressed their hope that exchanges between the two sides could proceed at a faster pace so that the Chinese people as one could move forward into the 21st century.

One scientist expressed the view that Taiwan's industry, agricultural, and commercial sectors are all very advanced and worthy of emulation by the mainland. Another scholar said that he believed in the not too distant future basic technological research between the two sides will definitely be conducted.

The other scholars and scientists also expressed their hope that mutual exchanges of scientists will be strengthened in the future.

Visit Called 'Propaganda'

OW1806085592 Taipei CNA in English 0750 GMT
18 Jun 92

[Text] Taipei, June 18 (CNA)—The seven Mainland Chinese scientists who just finished their visit here Tuesday had come here for political propaganda, a ranking Mainland Affairs Council (MAC) official said.

Kao Kung-lien, MAC vice chairman, said that he had information that the seven scientists had received a united front-tactic training before coming here June 9.

Kao told a seminar that Peking has never abandoned its united front tactics against Taiwan.

"Therefore, we must not carry out exchange programs just for the sake of exchange. Otherwise, we might have to pay a high price," Kao admonished.

The seven scientists said upon arrival at the Chiang Kai-shek International Airport that it takes only three hours to fly from Peking to Taipei, but it had taken them three days to reach here via Hong Kong.

Kao commented that the remark was intended to reinforce Peking's call for opening a direct transportation link between Taiwan and the mainland.

He said that the "mainland fever" seems to have reached a dizzying height in Taiwan; many conference organizers feel it glorious to be able to invite mainland scholars here. The seven were the only Mainland Chinese scientists who have visited Taiwan in four decades.

Exchanges with the mainland should not be conducted blindly, he said.

Computer Manufacturers Urge Investing in Mainland

OW1706132292 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
16 Jun 92

[From the "Hookup" program]

[Text] Computer manufacturers said that in the future high-technology enterprises should be developed on the Chinese Mainland, not in Taiwan. What is wrong with the domestic investment environment? Manufacturers, including Lin Chen-yuan, general manager of the Minchi Computer Company, who took part in a seminar held yesterday, said that the cost of land for building factories in Taiwan is too high. He noted that, currently, land in an industrial zone in Taiwan is NT\$60,000 [new Taiwan dollars] per ping [equivalent to 3.3 square meters]. It will cost at least NT\$500 to 600 million to build a factory in Taiwan. But three years ago, his company invested in building a computer plant in Malaysia, and so far the total investment has amounted to about \$25 million. If the plant were to be built in Taiwan, the \$25 million would not be enough to just buy land.

In addition, Huang Po-chih, vice chairman of the board of the Tungyuan Company, said that Taiwan also has the problem of a shortage of high-tech personnel. Currently, among every 100 college-level graduating mechanical engineers, less than half work for the (?high-tech) market.

The vice president of the Chinpao Electronic Company also noted that the supply of labor in Taiwan has deteriorated to the point where a manufacturer finds it impossible to expand his production capacity. Currently, the retirement age for ordinary staff and workers has been extended from 45 to 55. As a result, both the quality of their work and work efficiency are gradually losing competitiveness.

Tu Chuan-shang, general secretary of the Association of Computer Manufacturers, stressed that besides the problems of land and labor, the new Taiwan dollar is continuing to appreciate while the renminbi is depreciating. This is exerting great pressure on manufacturers operating in Taiwan. The exchange rate difference has just amounted to 10 percent, and the profit rate of Taiwan manufacturers has dropped below 5 percent.

Tu Chuan-shang said under these circumstances, Taiwan businessmen must invest in the mainland. Only thus can they expand their roots in Taiwan. Otherwise, when Taiwan's competitors, such as Japan and South Korea, have secured the mainland market, and once Taiwan has lost its competitiveness, it will be hard for Taiwan merchants to even protect their roots in Taiwan.

MTV Operators Demonstrate at AIT Office

OW1806091392 Taipei CNA in English 0809 GMT
18 Jun 92

[Text] Taipei, June 18 (CNA)—More than 200 local MTV operators peacefully demonstrated in front of the Taipei office of the American Institute in Taiwan (AIT) Wednesday to protest against the hesitancy of eight major U.S. film distribution companies to allow legal use of their films.

Accompanied by Legislator Chou Chuan, five representatives of the demonstrators presented a petition to Thomas S. Brooks, head of the AIT Taipei office, which represents American interests in Taiwan in the absence of diplomatic ties between the two countries.

Led by Hsu Chien-kuo, president of the Taiwan MTV Business Development Foundation, the representatives requested that the AIT help them obtain authorization by eight American film distributors to use their copyrighted films at reasonable costs.

Brooks told the representatives that the AIT would like to convey the message to the eight film distributors. He also suggested that local MTV operators send messages directly to the eight companies for negotiations or request face-to-face talks with their staff in Singapore.

The MTV representatives also made their grievances known to the Government Information Office (GIO)

Wednesday afternoon. They requested that the government help them tide over their current operational difficulties and negotiate with the U.S. film distributors.

MTV operators threatened to stage a hunger strike if the AIT and the GIO fail to respond positively to their request within 10 days.

MTV operators were forced into action as they can hardly survive following the enactment of the newly revised copyright law in May, which imposes heavy penalties on violators.

U.S. film distributors have accused Taiwan MTV houses, where customers can watch taped motion pictures at

separate rooms, of infringing upon their intellectual property rights by illegally showing their copyrighted films for profits.

In a recent Taipei-Washington trade consultation, U.S. officials expressed strong dissatisfaction over rampant unauthorized showings of U.S. copyrighted films here.

Strict enforcement of the revised copyright law since early this month has forced MTV operators to drop their illegal practice and prompted them to seek authorization from U.S. film distributors. MTV operators complained that American film companies have been reluctant to grant permission.

Hong Kong

Thirty-Eight Refugees Returned to Vietnam 19 Jun

HK1906051492 Hong Kong AFP in English 0459 GMT
19 June 92

[By Michael Gonzalez]

[Text] Hong Kong, June 19 (AFP)—Thirty-eight Vietnamese boat people were deported back to their homeland Friday, some forcibly, as the Hong Kong Government began in earnest its drive to empty out crowded refugee camps.

Several of the deportees put up resistance, and had to be dragged by Hong Kong police on to the four-engine Hercules cargo plane bound for Hanoi. Others, heads bowed, accepted their fate and led their families in.

One little girl, her parents apparently among the resisters, clutched a blanket and walked in alone, flanked by a line of policemen called in to prevent possible altercations.

The deportees—21 men, seven women, four boys and six girls—had spent the night at a boat people detention center on an outlying island. Twenty-five had volunteered to leave, Hong Kong officials said.

The 38 had been "screened out" as non-refugees under the so-called "Orderly Return Program" hammered out in May. Eight were criminal offenders who had served time in Hong Kong jails for crimes such as theft and assault.

The deportation was the first since Hanoi and London hammered out an agreement in May for large-scale repatriations of the more than 54,000 Vietnamese boat people in Hong Kong, and was a harbinger of many more to come.

The next repatriation was expected in July, said Clinton Leeks, the retiring refugee coordinator for the Hong Kong Government.

The government hoped to empty out the camps within three years, Leeks said.

Tens of thousands of Vietnamese have fled their homeland since the communist victory in the Indochina conflict, fanning throughout the region and the world after braving rough seas and pirates in small boats.

The greatest number have landed in Hong Kong with hopes of resettlement in the West, only to be deemed migrants from Vietnam's poverty rather than refugees fleeing persecution.

Leeks said "no (repatriation) system will be perfect," but added he hoped more refugees would be volunteering in the future.

"But if the alternative is sitting in these camps for the rest of their lives, then we have to make the decision for

them," he said. Leeks said he was encouraged by the fact that only seven boat people had arrived in crowded Hong Kong this year.

More were volunteering to be repatriated, "and I hope it's a trend," he said.

"The world is coming around to the understanding that there are no easy answers...to the tragedy of thousands moving around the world," Leeks said in reference to the repatriation of Haitian boat people by the U.S. Government, which has been one of the harshest critics of the Hong Kong repatriation program.

Leeks said an improvement in the economic situation in Vietnam would help alleviate the problem of Vietnamese boat people. "America has a key role to play in that," he added.

The United States has kept an economically crippling embargo on trade with Vietnam since the fall of the U.S.-supported Saigon government in 1975.

Leeks said however that there had already been an improvement in the economic picture in Vietnam in the past few years "and we have to get that though" to the boat people here to encourage them to volunteer.

The total number of Vietnamese boat people remaining in Hong Kong Friday was 54,206, of whom 3,527 have been "screened-in" as refugees eligible for resettlement abroad, a government spokesman said Friday.

More than 100 were deported in late 1991 after Britain and Vietnam agreed in principle on forced repatriation.

The pact has been condemned by boat people in a series of peaceful demonstrations inside their camps, but Leeks said the camps had been calm in the past few weeks.

Beijing Proposes Hong Kong Monetary Authority

HK1806071092 Hong Kong CHING CHI JIH PAO
in Chinese 17 Jun 92 p 2

[Report: "Beijing Proposing Establishing Monetary Authority in Hong Kong To Enable China, Britain, Hong Kong To Jointly Administer Foreign Exchange Reserves"]

[Text] The Chinese side is contemplating whether or not it should propose, through the Sino-British Joint Liaison Group, that the Hong Kong Government establish a monetary authority composed of China, Britain, and Hong Kong with its principal task being supervision and administration of the use of a foreign exchange fund. It has been reported that the Chinese State Council has approved the idea and transmitted it to the higher echelons of China-funded institutions for perusal and discussion. So far no conclusion has been reached on the matter.

According to the information obtained by this newspaper, the proposal for the establishment of the monetary authority was made in a "Report on Hong Kong's Financial Situation," which was most recently written by the research department under the Bank of China Hong Kong and Macao Administration. According to the report, the Chinese side should strive for the establishment of the monetary authority composed of China, Britain, and Hong Kong at the end of this year. Moreover, expressing dissatisfaction with the Hong Kong Government's overspending in its airport plan, the report contended that budgets of investment in large projects should be subjected to the examination of the monetary authority.

After being submitted to the State Council for examination and approval a few days ago, the "Report on Hong Kong's Financial Situation" was again passed among the higher echelons of China-funded institutions for perusal and discussion. Moreover, members of the Chinese side of the Joint Liaison Group discussed the report's proposal for the monetary authority at many meetings.

With the exception of the senior administrators of the Hongkong and Shanghai Banking Corporation who are high-ranking Hong Kong Government officials and members of the Exchange Fund Advisory Committee (according to the Hong Kong Government's announcement, the committee has eight members, who are the Financial Secretary, D.G. Moir, Li Kuo-pao, Pan Yong-hsiang, Purves, C.A.E. Goodhart, the Secretary for Monetary Affairs, and the Exchange Fund Director), the Chinese side knows nothing at all about the sum of Hong Kong's exchange fund. Recently, China has been deeply concerned about the sum and use of Hong Kong's exchange fund. The report pointed out: The Bank of China should do its utmost to strive for the "half-central-bank" status in Hong Kong. Apart from being a natural member of the Association of Hong Kong Bankers, the Bank of China can compete for its chairmanship (according to the association's regulations, currently the Hongkong and Shanghai Banking Corporation and the Standard Chartered Bank assume chairmanship in rotation). In addition, it is reasonable for the Bank of China to join the management of exchange fund with the Hongkong and Shanghai Banking corporation on an equal footing.

The Monetary Authority Supervises and Administrates the Airport's Spending

According to the report, the Chinese side should suggest to the British side, through the Joint Liaison Group, establishing a monetary authority composed of Britain, Hong Kong, and China, which, aside from having complete knowledge of the sum of the exchange fund, is entitled to plan, supervise, and administer such issues such as the use of the fund and budgets of investment in large projects.

The report pointed out: China is dissatisfied with the Hong Kong Government's overspending on its airport

budget plan and its offer of biddings on high budgeted projects to British-funded companies and of huge amounts of consultancy fees to British consulting firms. The Chinese side held: The British Hong Kong Government is transforming the functions of the Exchange Fund and gradually turning the fund formerly designed to cope with bank crises into various financial means of investment in large projects, thus letting exchange funds flow out of Hong Kong.

Moreover, the report also suggested that the Chinese Government persuade financial managerial personnel in Hong Kong to stay using every effective means so as to maintain Hong Kong's international financial status after 1997.

Jiang Zemin Meets Commercial Delegation

*OW1906152892 Beijing XINHUA in English
1425 GMT 19 Jun 92*

[Text] Beijing, June 19 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), met here today with a delegation from Sun Hung Kai Properties Ltd of Hong Kong.

The company signed a contract with the Dongan Group in Beijing June 18 on the reconstruction of the Dongan Market.

Chen Xitong, state councillor and mayor of Beijing, also attended the meeting.

Construction of Airport Bridge Begins 18 Jun

*OW1806102892 Beijing XINHUA in English
0948 GMT 18 Jun 92*

[Text] Hong Kong, June 18 (XINHUA)—The construction of Tsing Ma bridge, one of the most important projects in Hong Kong's new airport core program, started with Governor Lord Wilson breaking the ground for the project today.

The 7 billion H.K. dollars (897 million U.S. dollars) Tsing Ma bridge between Ma Wan Island and Tsing Yi Island will form the major part of the Lantau fixed crossing, which will lead to the new airport at Chek Lap Kok Island.

The project undertaken by the Anglo Japanese Construction Joint Venture comprising Trafalgar House, Mitsui Co. Ltd and Costain Civil Engineering Ltd, will be completed in time for the projected opening of the Chek Lap Kok Airport in 1997.

Speaking at the opening ceremony, Anglo Japanese Construction Joint Venture Chairman Sir Gordon Manzie said, "I have no doubt that they (companies of the joint venture) are fully equipped to build the Tsing Ma Bridge on time and within budget."

The bridge is designed to have an overall length of 2,200 meters with a main suspended span of 1,377 meters. It

will carry a dual three lane expressway together with two rail tracks for the airport railway. It will also make provision for two single lane sheltered carriageways within the lower deck to allow vehicular access to Lantau in all but the most severe weather conditions.

When compared with similar existing bridges this would be the world's second longest span bridge and the longest span bridge carrying both road and rail traffic on the same structure when constructed.

The bridge is designed to withstand a steady wind speed of 180 kilometers per hour and maximum gusts at the top of the towers of 300 kilometers per hour.

Company To Help Reconstruct Beijing Market Area

*OW1806152892 Beijing XINHUA in English
1415 GMT 18 Jun 92*

[Text] Beijing, June 18 (XINHUA)—A signing ceremony for the reconstruction of Dong'an market, located in downtown Beijing's Wangfujing Street, was held here this afternoon.

The reconstruction project will be carried out by the Dong'an Company (Group) and Sun Hung Kai Properties Ltd of Hong Kong.

This is the second Sino-foreign joint commercial project in the country following Sino-Japanese commercial retail enterprises in Shanghai.

Costing a total of 255 million U.S. dollars, the whole project, including nine stories above ground and three basement stories—with a total floor space of over 100,000 sq m—is expected to be finished by 1995.

The co-operation term stands at 50 years.

The Dong'an market is one of the four-largest department stores in Beijing. Last year it recorded sales worth 650 million yuan.

Group Signs Contract on Zhangzhou Economic Zone

*OW1806135192 Beijing XINHUA in English
1332 GMT 18 Jun 92*

[Text] Fuzhou, June 18 (XINHUA)—A contract for the establishment of the Zhangzhou Economic Development Zone was signed today between the China Merchants Group of Hong Kong and the Bank of China, in Zhangzhou city in east China's Fujian Province.

The zone is located in the Gangwei area, on the south bank of the Jiulong river delta. With a designated area of 18 sq km, the zone is to be developed into a multi-functional export-oriented economic development zone.

Jia Qinglin, governor of the province, said that enterprises in the zone will enjoy all the preferential policies applicable to the open coastal areas of the country.

Special preference will be given to industries related to the development of energy resources, communications and high-technology.

Northwest Investment Fair Announced in Hong Kong

*OW1806133092 Beijing XINHUA in English
1240 GMT 18 Jun 92*

[Text] Hong Kong, June 18 (XINHUA)—The China Northwest Investment and Business Forum will be held in Xian, capital of Shaanxi Province, from September 14 to 20 this year.

This was announced at a press conference held in Hong Kong today.

The fair will be jointly sponsored by the United Nations Industrial Development Organization and Shaanxi, Gansu and Qinghai Provinces, and Ningxia Hui and Xinjiang Uygur Autonomous Regions.

This is the first international investment and business forum ever held on a regional basis in northwest China, said Bai Qingcai, governor of Shaanxi Province, at the press conference.

During the fair, a large number of state enterprises, foreign trade corporations and government institutions from all parts of the northwest will gather in Xian to negotiate with foreign businessmen about investment projects, economic and technological cooperation, import of advanced technology and equipment, labor service cooperation and tourism.

All the five provinces and regions have worked out provisions on the preferential terms offered to foreign investors.

Northwest China is rich in natural resources, with more than 120 of the 160 minerals so far discovered in China located in the region. Of this number, more than 20 nonferrous metals and minerals rank first in China in terms of reserve.

The region has approved 411 joint ventures. Its total value of imports and exports reached 1.65 billion U.S. dollars in 1991.

Macao

Trade, Economic Cooperation Deal Signed With EC

*OW1706034392 Beijing XINHUA in English
0316 GMT 17 Jun 92*

[Text] Luxembourg, June 16 (XINHUA)—The European Community and Macao signed a trade and economic cooperation agreement here today aimed at strengthening bilateral relations.

The two sides said in a communique issued following the signing that the agreement aims to strengthen and diversify friendly relations between the two sides while developing and enhancing bilateral trade and economic cooperation.

Under the agreement, the EC and Macao will grant each other preferential treatment for tariffs and other import-export matters.

The two sides are committed to doing their best to provide each other with preferential trade benefits so as to encourage the diversification of bilateral trade.

The accord urges both sides to expand cooperation in industry and other areas, such as science and technology, energy, transportation, telecommunications, electronics, environmental protection, tourism, finance, fisheries, social development, the protection of intellectual property and customs and economic statistics.

The agreement also encourages every EC member to develop bilateral trade and economic cooperation with Macao and suggests that a joint committee be established to supervise the implementation of the agreement.

The five-year agreement, which can be extended annually after its expiration, will become effective as soon as the two sides ratify it.

END OF

FICHE

DATE FILMED

22 June 1992

